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FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Belfast rag day killings

terrorist, posing as a university rag student, shot dead a man security guard and a dier in the centre of Belfast terday.

The City was crowded with dents from Queen's University o were celebrating Rag Day collecting for charity when rorists, wearing Arab costume, proached a security gate. One them opened fire with a pistol.

The Rev. Ian Paisley, Mr. nest Baird and seven of their ster Loyalist supporters were ared of charges alleging that y impeded the police in Ballyna, Co. Antrim during last ar's Loyalist strike.

n Dublin, it was announced at Eire is to set up an elite ti-terrorist police task force of men

Cracks found in Concorde wings

irline cracks have been disvered in the outer part of the ngs of British Airways' Conrde fleet. They are to be paired during routine maintence in the next few weeks, e airline said, emphasising that ere was nothing dangerous out them. India has refused allow Concorde to overfly the untry at supersonic speed. alaysia talks, Page 4

Red Arrows crash kills two

RAF Wing Commander and ight-Lieutenant died yestery when a Gnat crashed on the nway at Kemble, Glos., during Red Arrows routine rehearsal. ne aircraft were airborne at time, but there was no midcollision.

More crime in London

e Metropolitan Police reported ng crime increase for last year. r David McNee, Metropolitan lice Commissioner, is to set up mmittees to consider aspects of big reorganisation. Power is ely to be devolved from otland Yard to divisional comanders. Mr. James Callaghan, ime Minister, opening a Cardiff lice station, appealed to the blic to help turn back "the tide crime." Page 3

Spain air crash

n Iberian Super DC-8 caught e while landing at Santiago de mpostela, Spain. More than 50 ssengers were injured.

Space link-up

pt. Remek, the first Czech smonaut, and his Soviet comander docked Soyuz-28 with e manned orbiting space boratory, Salyut-6.

Treble for Wigan

minic Wigan's three starred lections all won yesterday— lwarren (7-2), The Alickadoo -4) and Queen's College (5-1) giving a 59½-1 treble. His five lections also included Desert ind (9-4). To-day's racing, ge 20

Briefly . . .

e Conservatives are 1-2 vourites at Ladbrokes to win e next General Election with bour, 6-4. After Ilford, Back ge

one of West Germany's big tional newspapers appeared sterday because of strikes and ck-outs.

ile released 12 Christian emocrat Party leaders from forced exile in the province of rica.

r. Alfred Atherton the U.S. utline Middle East peace ecial envoy, arrived in Amman

painting by Sir Winston urchill, sent for sale by the nited Services Club, fetched 0,500 at Christie's Saleroom. ge 6

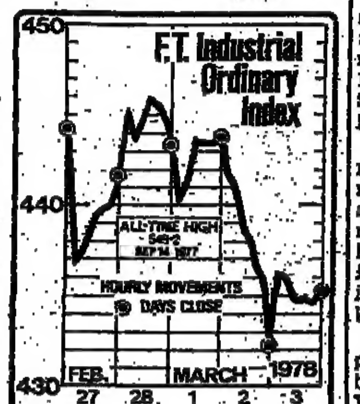
emium Bond £100,000 prize s been won by the West Sussex lder of No. 4 FF 550571.

esident Tito of Yugoslavia is visit President Carter from arch 7 to 9. Mr. Karamanlis, eek Premier is to meet Mr. evit, Turkish Premier in ontreux from March 10 to 11.

BUSINESS

Equities down 8 on week; Gilts firm

● EQUITIES responded to cheap buying, and initial gains were maintained. The FT Ordinary index closed 2.8 up at 436.2, making a loss of 8 points over the week.



● GILTS made small gains, and the Government Securities index closed 0.02 up at 74.46.

● STERLING fell 20 points to $1.9395 in dull trading. Its trade-weighted index rose to 65.3 (65.1). The dollar recovered a little and its depreciation narrowed to 5.41 per cent. (5.58).

● GOLD fell $½ to $183¼.

● WALL STREET closed 0.86 up at 747.31.

● PROPOSALS for financing the planned Council for the Securities Industry is expected to arouse controversy, as financial institutions begin discussing a Bank working paper. Back Page

● JAPAN'S Ministry of International Trade and Industry appears to have given undertakings to Britain to restrain car exports to the U.K., although no announcement is being made for the time being in Tokyo. Back Page

At the same time, the Japanese Government is to cut tariffs on 318 imported items from to-day, after detailed negotiations with the U.S.

● GUARDIAN ROYAL Exchange Group will ask about 1m. motorists to pay on average 14 per cent. more in insurance premiums from April 1. Page 4

● FRANCE has defied an EEC Commission ruling to increase monetary compensatory amounts on its exports of farm products to other EEC countries, which are applied to offset currency fluctuations. Page 2

● CANADIAN Government is to borrow $750m. in the U.S. through public issue of government bonds to support the Canadian dollar and cover international transactions deficit. Page 2

Tanners' right to sue NEB

● INDEPENDENT tanning companies appear to have won the right to sue the National Enterprise Board for what they claim is a breach of its duty to give financial backing to British Tanners Products. Back Page

● BP is to spend about £1bn. on the exploitation of its Magnus Field, which could be adding to U.K. oil production by late 1981. Back Page

● COMMONWEALTH OIL has filed for protection under chapter 11 of the U.S. bankruptcy laws. The company, which had revenues of over $1bn. in 1976 owes banks and other creditors $300m. Page 21

● OPEC member nations are losing about $14bn. a year due to the shrinking value of the dollar, the currency in which petroleum purchases are made, the OPEC secretary general has said. Page 2

● MR. PETER SHORE, Environment Secretary, has said that the Government is determined there will not be another house price boom like that of 1972-73. Back Page

● HOUSE BUYERS could be exploited by "rogue" mortgage brokers because of OFT rules on Restrictive Trade Practices, a mortgage brokers' association has warned. Page 3

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 10% 1992	£99½	+ 1
eral Leisure	110	+ 4
ons Photo	152	+ 4
GI	144	+ 3
EC	241	+ 4
awker Siddeley	170	+ 4
rsey External Pref.	112	+ 8
ipan Fd. Sterling	260	+ 40
oyal Insurance	362	+ 7
ule Catto	83	+ 4
cLeod Russel	203	+ 6
RGO	323	+ 16
Falcon Mines	210	+ 8
Western Deep	767	+ 17
Winkelhaak	727	+ 13

FALLS

Argo Invs.	111	− 3
Beecham	583	− 12
Brown (J.)	272	− 4
Durapipe	94	− 8
ICL	208	− 10
Int. Pacific Secs.	138	− 9
Metal Box	288	− 6
Myddleton Hotels	195	− 5
Pye Holdings	90	− 9
Wolseley-Hughes	176	− 8
Oil Exploration	194	− 10

Drop in borrowing gives headroom for £2bn. tax cuts

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Borrowing by the public sector is running at the lowest level for four years. The latest figures suggest that there should be sufficient headroom for the expected £1.5bn. to £2bn. tax cuts in the April Budget within the ceiling agreed with the International Monetary Fund.

The public sector borrowing requirement was £3.6bn., seasonally-adjusted, in the first nine months of the financial year 1977-78, according to a Central Statistical Office estimate published yesterday.

This is equivalent to an annual rate of £4.8bn. While the borrowing trends may not be quite as favourable in the final three months of 1977-78, the outcome looks unlikely to be more than £5.5bn. to £5.75bn. on present *indications. This would be the* lowest figure since 1973-74.

This compares with a Treasury projection of £7.5bn. last October and a more recent private Whitehall estimate of £6.5bn.

Indeed, after taking account of the £1bn. tax cuts last autumn, the borrowing requirement may turn out to be nearly £3bn. less than originally forecast in last year's spring Budget.

The latest figures were better than expected by the City.

The low level of borrowing this year cannot automatically be used as a base for 1978-79. Apart from the absence next year of once-for-all influences such as the sale of BP shares, public expenditure is projected to increase and there may be less undershooting than recently.

The main turnround in the financial position of the nationalised industries may also have been completed and local authority borrowing may rise.

On the other side, revenue, notably Corporation Tax, could remain buoyant.

So, even if the magnitude of any borrowing shortfall could be lower than this year, last October's estimate of £7bn. for 1978-1979 now looks too high.

The ceiling agreed with the IMF is £8.6bn. for the next financial year.

The general view in the City —reflected in the London Business School comments this week —is that there should be sufficient room for a net stimulus of at least £1.5bn., and possibly as much as £2½bn., according to the CBI.

The National Institute, however, suggested that £2bn.-worth of tax cuts would push the borrowing requirement up to £9.4bn. next year.

The latest Whitehall estimates are believed to suggest that both the borrowing and current account constraints point to a stimulus at the lower end of the range.

But Mr. Denis Healey, the Chancellor, is still undecided about the precise figure and

Continued on Back Page

PUBLIC SECTOR BORROWING
Requirement

		£m.
1975-76		10,583
1976-77		8,770
	1st	2,927
	2nd	2,120
	3rd	1,797
	4th	1,926
1977-78	1st	1,551
	2nd	924
	3rd	1,131

Seasonally adjusted, constrained to financial year totals.
Source: Central Statistical Office

U.K. recognition dilemma over Rhodesia agreement

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

BRITISH Ministers recognise that they may have to endorse an elected Rhodesian Government emerging from yesterday's settlement agreement between Mr. Ian Smith and three internal black nationalist leaders.

There is no question of British endorsement of the agreement itself, reached while the guerrilla war continued and with the Patriotic Front excluded.

Government ministers are aware that any such recognition would probably be deeply opposed by many African states, some of whom might take retaliatory action against British interests in their countries.

No decision on recognition will be made before the acceptability of the agreement to the people of Rhodesia as a whole is tested. This test—the key fifth principle —which Britain has laid down for recognising Rhodesian independence is unlikely to take place for several months, and possibly not before the end of this year.

Dr. David Owen, the Foreign Secretary, has been careful to point out in the last few months that no single party to the Rhodesian dispute could have a veto over a final settlement, but there are two main reasons for what appears to be a distinct softening in the Government's approach to the internal settlement.

The first is the relative speed with which the Salisbury agreement has been concluded. This has upset the Government's attempts, on the basis of the Anglo-American proposals, to bridge the gap between the so-called internal black leaders and the Patriotic Front.

In spite of public statements that he will continue to try to reconcile the internal leaders and the Patriotic Front, Dr. Owen believes that there is almost no hope of persuading the Front leaders, Mr. Joshua Nkomo and Mr. Robert Mugabe, to participate in the Salisbury arrangements.

It is also now clear that Bishop Muzorewa, the Rev. Sithole and Mr. Ian Smith, the Rhodesian Premier, have abandoned the Anglo-American plan.

Pressures

The second factor is that Dr. Owen, in particular, has come under heavy political pressure in Britain to be more encouraging to the Salisbury settlement.

Few members of parliament of any party would urge immediate recognition, but many believe that if most Rhodesians were to be seen, either through elections or a referendum, to endorse the settlement, then Britain should also recognise it.

The Government's formal position is that it still believes that the Anglo-American proposals offer the best hope of a negotiated solution which would end the guerilla war, although it is admitted privately that the proposals now stand little chance of being implemented.

The Government has not, however, abandoned hope of mediating between the internal and external groups. It is recognised that the Patriotic Front's hostility to the internal settlement could result in an escalation of the war.

There is also little optimism that the internal settlement will operate as smoothly as it signatories hope.

Ministers believe that Britain could again call a conference between the Rhodesian parties. Dr. Owen is, therefore likely to maintain his cautious attitude towards both the Salisbury agreement and the demands of the Patriotic Front.

Ministers recognise that they could face an acute dilemma if the Patriotic Front were to continue the war and a transitional government in Salisbury were to hold elections in which a majority voted for the internal settlement Many Cabinet members, as well as MP's of all parties, would favour recognition in those circumstances.

More Rhodesian news, Page 2

Co-operative cuts tea prices

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

TEA BLENDERS ranks were broken yesterday when the Co-operative Wholesale Society reduced its prices by 2p a quarter pound. The move forced the other big companies—Brooke Bond, Lyons, Tetley and Typhoo Tea—to make similar reductions.

The 2p cut is 3p less than the Government was planning to impose on manufacturers through statutory controls in the wake of the Price Commission report on the industry and about 1p less than it hoped to get through voluntary agreement.

Unlike a statutory reduction, however, it will take effect in the shops immediately.

The Department of Prices said last night that it was still continuing its consultations over the proposed maximum price order. This may be a tactic to persuade the blenders to make a further voluntary cut of perhaps 1p a quarter and so bring the price down to nearer 21p-22p a quarter as suggested by the Price Commission 12 days ago.

The signs yesterday, however, were that the companies would resist pressure for further action. The Co-op's competitors were clearly annoyed by the way it had taken the initiative.

Yesterday's cut will mean that "medium priced tea" will probably be selling at about 22p or 23p a quarter in supermarkets. It may be available for less on special offer and be more expensive in smaller grocers.

Last night, negotiations were beginning between the retail trade and the blenders over who should finance the stock losses involved in an overnight price cut.

Retailers who have bought tea at the old price will want the suppliers to give them a rebate on their entire existing stock.

The companies, however, were incensed by the Commission's report. Speaking yesterday lunchtime Mr. J. Brock, chairman of the Tea Trade Committee ,said the errors totally invalidated the basis on which its recommendations were made.

He described himself as "shocked" by the way a Government department had not allowed proper discussion before publicising the report.

CONTENTS OF TO-DAY'S ISSUE

FEATURES

For latest Share Index 'phone 01-246 8026

Engineers threaten strike over pay policy

A TWO-DAY strike is to be called on March 20 and 21 at most of Britain's big engineering companies unless a dispute about the pay policy's application to minimum wage rates is resolved.

As the decision was being taken yesterday by engineering union leaders, the Advisory, Conciliation and Arbitration Service intervened.

Officials of the Engineering Employers' Federation met Mr. Jim Mortimer, ACAS chairman, and Mr. Andy Kerr, chief conciliation officer, to explain their side of the argument. The unions are to meet ACAS on Monday.

By setting the strike date a fortnight off, the unions have given themselves plenty of time for another approach to the employers.

If ACAS fails to settle the dispute, the Department of Employment may step in.

Non-members

Mr. Hugh Scanlon, president of the Amalgamated Union of Engineering Workers, made it clear that the unions want agreement with the employers' federation before the Government becomes involved.

A strike, with the possibility of further action, would mean calling out about 1½m. workers employed by 6,000 federation member companies. Some big U.S.-owned companies, including the three car manufacturers, are not members.

Asked if Leyland, which is a member of the federation, would be included, Mr. Scanlon said that it would have to be seen whether the company was really affected by the present negotiations.

The decision by the executive of the Confederation of Shipbuilding and Engineering Unions and by a subsequent meeting of executive members of the confederation's con-

Continued on Back Page

Financial Times

Changes in the Saturday Financial Times mean that some regular features this week have changed places. News, both home and overseas, is being concentrated in the first few pages, followed by a review of the financial markets, and then by the magazine pages. Radio and television schedules are with the entertainment guide on the Arts and Collecting Page.

Oil imports add to U.S. trade deficit

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, March 3.

THE U.S. trade deficit increased last month by more than $260m. largely because of heavier imports of oil.

The January deficit came to $2.38bn., up from the $2.12bn. of December. Exports dropped by nearly $1bn. in the month to just over $10bn., whereas imports fell from $13.12bn. to $12.39bn.

In December, both the export and import returns were artificially inflated as goods moved again on the end of the East and Gulf coast dock strike.

Temporary factors may also have, at least in part, accounted for January's surge in oil imports. The bad winter and the coal strike raised the level of demand for oil.

In January crude oil imports were worth over $2.6bn. and over $3.3bn. for all petroleum and related products. In December, the comparative figures were $2.3bn. and $2.9bn., respectively.

As President Carter said yesterday, the administration still believes that the level of oil imports should flatten out over this year. However, it seems clear that if the coal strike is not settled soon — and the early returns of the miners voting are inconclusive—then the demand for foreign oil is bound to rise.

If extraneous factors such as the weather and strikes are left aside, the January trade figures suggest no deviation from last year's trends, which combined to produce a deficit of nearly $27bn. a record.

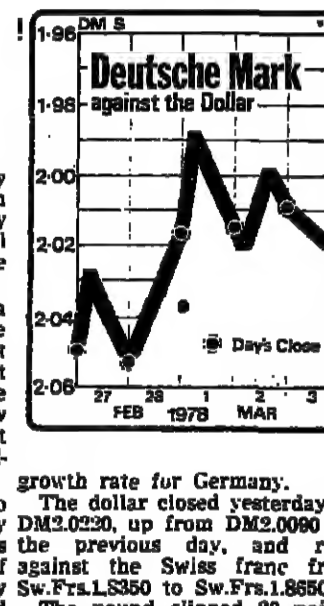
Food exports were down a little, and while the export of machinery and transportation equipment was nearly $500m. below that of December's inflated levels it was close to the average monthly return for 1977.

Imports of the same categories also declined. The overall level of imports remains quite close to the $12.59bn. *four-monthly* average of the October-January period, which in turn was a little below the $12.69bn. level of the preceding four months, a period unaffected by either strikes or bad weather.

The U.S. Senate has confirmed Mr. G. William Miller as new chairman of the Federal Reserve Board. Mr. Miller, chairman of Textron, succeeds Mr. Arthur Burns as chairman of the Board, for a four-year term.

Pressure on dollar eases

BY MICHAEL BLANDEN



THE DOLLAR recovered slightly against the strong European currencies yesterday, possibly with the help of some official U.S. support in thin exchange markets.

The improvement followed a week of intense pressure on the U.S. currency in nervous and at times hectic exchange market dealings. The heavy speculative movements took the dollar below the DM2 level against the West German Deutschemark on Wednesday and again on Thursday.

The pressures have also brought a series of increasingly severe measures by the Swiss authorities to stem the inflow of funds, coupled with warnings by Kuwait that it might put forward proposals to protect the earnings of oil-producing countries against the effects of the fall in the dollar.

The prospect of a further decline in the dollar was held out by Count Otto Lambsdorff, West German Economics Minister. He said in West Berlin that the tendency remained for the dollar to be devalued and argued that this could result in a slower growth rate for Germany.

The dollar closed yesterday at DM2.0220, up from DM2.0090 on the previous day, and rose against the Swiss franc from Sw.Frs.1.8350 to Sw.Frs.1.8650.

The pound slipped 20 points to $1.9395, but its trade-weighted index rose to 65.3 against 65.1.

£ in New York

—	March 3	Previous
Spot	$1.9400-9410	$1.9415-9425
1 month	0.02-0.05 prem	0.07-0.04 dis
3 months	0.22-0.12 dis	0.25-0.20 dis
12 months	1.07-1.10 dis	1.15-1.10 dis

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£500	£52	£8

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Address ______
______ Date ______
Signature ______
(In the case of a joint application all must sign.) FT 4/3

Schlesinger Extra Income Trust

OVERSEAS NEWS

Invasion may be Hanoi's solution

By Richard Nations in Bangkok

THERE HAVE been numerous signs recently that Hanoi is preparing the ground for a major military strike against Cambodia. While almost certainly exaggerated, recent Western Press reports of a massive 20 division mobilisation of Vietnamese troops on the Cambodian border underlines the dilemma facing Hanoi — that only a straight military solution is left.

Two weeks ago the Hanoi politburo despatched its veteran political troubleshooter, Le Duc Tho, to the southern war zone. His trips have presaged Hanoi's major military offensives in the past—the 1968 Tet offensive, the 1972 spring offensive and the final thrust into Saigon.

Mr. Tho's visit came in the wake of another sign that the conflict might escalate: Hanoi's deputy premier Gen. Vo Nguyen Giap toured the troubled southern war zone himself a month ago.

Hanoi is also reported to have cleared the border zone of civilians. While intelligence sources here deny reports of fresh mobilisations they say that Vietnam's troops are deployed along the border area to permit swift regroupment for a major offensive. Moreover, it is clear now that Vietnam's earlier December-January campaign failed in what was judged to be its minimum objectives — secure the Vietnamese border from Cambodian intrusions and destroy Phnom Penh's fighting force and morale.

Observers here say that if an offensive comes it must be before the onset of the monsoon at the end of May. This leaves Hanoi time to play out its current diplomatic and propaganda offensive based around its three point peace proposals of a mutual troop withdrawal, demilitarized zone and international guarantees. Many here suspect a renewed military push to be "inevitable," if the present debilitating stalemate continues.

First, although Phnom Penh has never altogether rejected Hanoi's peace plan, it has ruled out each of the specific elements time and again. More to the point, no signs of division in the Khmer Rouge ranks appear to have surfaced to encourage Hanoi in a policy of attrition aimed at toppling the Pol Pot regime politically. Third, while avoiding direct reference to Peking, Radio Hanoi last week unmistakably identified China as the "international reactionary" force sustaining the Cambodia war effort. Given this language, observers here rule out any possibility of a bargain between Hanoi and Peking—Phnom Penh's major ally—on a mutually acceptable political future to Cambodia as a means to peace.

Diplomats based in Hanoi say the Vietnamese view themselves as struggling against a conspiracy of encirclement directed from Washington and Peking in which Cambodia is only a pawn. The U.S. expulsion recently of Vietnam's ambassador to the UN, Dinh Ba Thi, may only "aggravate their paranoia" at a critical moment when Hanoi is appealing to the non-aligned group in the UN.

The Cambodian conflict is not only undermining Hanoi's efforts to move the "excess population" of Saigon to the new economic zones along the chronically insecure border region—the fragile centrepiece of plans to digest and develop the south—but it is compounding the initial problem of war refugees by pushing another 100,000 Cambodians across the border into Vietnam. In the first seven months of the year, Hanoi reports that 17,000 Khmer refugees fled across the border. The general uncertainty of the war has renewed the scope for resistance movements based in the southern Delta region.

If a strike comes from Hanoi it is hardly likely to begin while premier Pham Van Dong is abroad in India and Sri Lanka presumably sounding out the views of these two major countries in the non-aligned movement.

Even if the diplomatic climate is right however, the military option has its own pitfalls. Hanoi must first decide whether it can achieve anything short of a drive on Phnom Penh, and whether Peking will tolerate this without intervening militarily itself. Moreover, Cambodia's regional neighbours may feel that Hanoi managed to silence accusations of expansionism only be confirming the charges. And thirdly, it must have occurred to someone in Hanoi that once only the military option is left, the wider political war for loyalties is already lost.

RHODESIA'S INTERNAL SETTLEMENT

Black leaders set out to sell agreement abroad

BY TONY HAWKINS

SALISBURY, March 3.

THE THREE Rhodesian nationalist leaders who signed to-day's internal agreement are embarking on overseas visits to try to sell the deal. Bishop Muzorewa left Salisbury to-day for London vowing to tell Dr. David Owen, the Foreign Secretary, that he wanted immediate recognition of the interim Government.

Mr. Ian Smith, who will step down as Prime Minister when the interim Government is formed within the next few weeks, said to-night that Britain and the U.S. had a clear moral responsibility to accept the agreement which satisfies at least four of the famous five principles.

Sources here say that there is no enthusiasm on the part of any of the four signatories to the agreement for one-man one-vote referendum to test the acceptability of the plan. Instead the leaders prefer the present arrangement, whereby a general election would be held late in the year in time for independence to be formally assumed on December 31, 1978.

The agreement signed to-day provides for the establishment of an interim administration later this month which will face some very tough obstacles. These include bringing about a ceasefire and arranging for an amnesty and rehabilitation programme for nationalist guerillas. Both Mr. Sithole and Bishop Muzorewa expressed optimism that the guerillas will lay down their arms now that majority black rule is assured on December 31.

In addition, the transitional Government will have to cope with the release of detainees, the review of persons sentenced to prison for political sentences, the further removal of racial discrimination, the creation of a climate conducive to holding free elections, the delimitation of constituencies and the drafting of a detailed constitution.

A statement to-night from the Rhodesian Foreign Minister, Mr. Pieter van der Byl—who in terms of the agreement will soon share his office with a black nationalist—highlights the tensions and problems that will face this new administration. Mr. van der Byl was replying in a note to the UN Security Council to claims that Rhodesian forces had invaded Boswana on Monday in pursuit of a guerilla gang.

Mr. van der Byl warned that if the Botswana authorities assisted the "Rhodesian terrorists," then Botswana must bear the consequences. "Rhodesia has always abided by its right to the internationally-accepted practice of hot pursuit," the message (addressed to Mr. Ivor Richard as president of the Security Council) said.

The agreement has won only a muted welcome. All sides agree there is a long way to go before the deal can be said to have been successfully clinched. Even the Rhodesian Stock Exchange, which normally reacts ebulliently to optimistic political news, barely reacted. Prices went only modestly higher and remained below their levels of 10 days ago.

Business leaders expressed cautious optimism and—only by coincidence — Rhodesian Breweries Ltd., one of the country's largest corporations, announced that it will change its name to National Breweries (so far as its beer activities are concerned) and will use Delta Corporation as the name of the group holding company.

Significantly, the OK Bazaars—until to-day a wholly-owned subsidiary of the South African company — has become a Rhodesian subsidiary of the enlarged Breweries group—indicative no doubt of the shape of things to come.

Mr. Ian Smith

The detailed agreement published this morning after the formal signing ceremony contained no surprises. It includes a clause specifically excluding the 28 specially elected white members in the proposed 100-seat assembly from "forming a coalition with any single minority party for the purpose of forming a government," though there is apparently nothing to stop the whites from linking up with a black majority party.

The eight-point agreement provides for a justiciable bill of rights which will include protection from "deprivation of property" unless adequate compensation is paid promptly, and for protection of pension rights.

The other safeguards include an independent judiciary, an independent public services Board (to make public service appointments), guarantees of freely remittable pensions outside the country for public servants, dual citizenship rights and that the "police, defence forces public service and prison service will be maintained in a high state of efficiency and free from political interference."

The transitional Government will be a two-tier affair with one member from each of the four parties involved in the agreement—the ruling Rhodesian Front, Chief Chirau's Zimbabwe United Peoples' Organisation, Mr. Sithole's African National Council and Bishop Muzorewa's United African National Council—on the executive council which will have a rotating chairmanship. Decisions of this executive council must be by consensus, thereby giving every one an effective veto.

The Ministerial Council will be composed of equal numbers of black and white Ministers with two Ministers (one white and one black) for each portfolio. Parliament will continue to function as and when summonded by the executive—mainly for major legislation providing for the elections later this year, Mr. Smith's promised referendum of white voters and the 1978 Budget.

The "blocking mechanism" to "entrench" the safeguards requires that at least 78 of the 100 MPs—that is all 72 blacks and at least six of the whites—must vote for any amendments to these clauses.

Our UN Correspondent writes: Dr. Kurt Waldheim, the UN Secretary General, appeared to-day to regard the Salisbury agreement as only a partial step towards the attainment of majority rule in Rhodesia. In a carefully-worded statement issued by his spokesman, he said that as long as some elements were excluded from the political process—an obvious reference to the Patriotic Front—"it must be recognised that the problem will not be solved and that the conflict will continue; with grave consequences for peace in the area."

Michael Holman adds from Lusaka: The Patriotic Front leaders, Joshua Nkomo and Robert Mugabe, were expected to meet to-day in the Mozambique capital of Maputo for the second time in a week to discuss intensification of the Rhodesian guerilla war following the internal agreement reached in Salisbury, according to nationalist sources here.

Quentin Peel writes from Cape Town: The Rhodesian settlement has been widely welcomed in South Africa, although Mr. John Vorster, the Prime Minister, counselled caution on its prospects for success. How successful the agreement will be in practice, Mr. Vorster said, "will depend on the one hand on the good faith with which the parties adhere to and implement it in practice, and on the other hand whether they are allowed by so-called public opinion, as well as African and world organisations and countries, neighbouring or far away, to arrange and determine their own affairs according to their own wishes. Time alone can give the answer to this."

U.K. move on S. African arms

BY MARTIN DICKSON

THE BRITISH Government yesterday presented Orders to Parliament further tightening its arms embargo on South Africa, but the Anti-Apartheid Movement said its action was "very weak and disappointing."

In line with the UN mandatory arms embargo on South Africa last November, the Government has forbidden any new weapons-related licensing agreements with the country and the supply of specified para-military police equipment not covered by the existing U.K. embargo.

However, the British move does not appear necessarily to go as far as that of the U.S. Government, which last month embargoed the export of all commodities — from computers to fuel tanks—for use by the South African military or police.

The British action still leaves considerable discretionary powers to the Government to decide whether so-called "grey area" equipment—which is not necessarily designed for military use but could be so employed—will be supplied to South Africa.

The Government has forbidden the export of riot control equipment such as shields and water cannons, but applications to supply other equipment covered by the 1970 Export of Goods (Control) Order (including deals for electronic equipment) will be considered by the Government "on their merits."

The Anti-Apartheid Movement yesterday argued that the Government's action did not go nearly far enough to tighten up "grey area" loopholes, since electronic equipment was not specifically included in the ban and there would be no controls over the sale of such vehicles as Land-Rovers.

MARSEILLE

The solar plexus of Algerian France

BY DAVID WHITE

THE FRENCH ELECTIONS

PLACE D'AIX, MARSEILLE, at 8.30 in the evening. In the corner cafe, a television set announces the start of party political broadcasts. A group of 20 men sit almost motionless at empty tables. They are not drinking, but they smoke, their cigarette ends lining the saw-dusted floor. All of them are North Africans, recent arrivals in France's second city, once the gateway to an African empire, now the Mediterranean's first foothold in France.

The Place d'Aix is just up the road from the docks, the first place an immigrant can find someone to talk to, the solar plexus of Algerian France. Marseille has about 13 per cent. foreigners among its 1m. inhabitants, twice the national average. But many more pass through, coming for or going back from their holidays—as many as 1m.

Here, the problems of adaptation—for those who bring their families—and exploitation for single men having to share accommodation—are at their most obvious. The local authorities offer advice and educational services, but unemployment in the city is high and tensions near the surface.

The North Africans, it seems, are not even wanted by the Foreign Legion, garrisoned in the town, whose recruitment posters offer "dynamism new horizons, social advancement." They could easily be part of the election campaign.

Throughout it all is M. Gaston Defferre, mayor of this town for exactly a quarter of a century. In the reception room of the little 17th century Town Hall, his name occupies the last three panels listing Marseille's 40 civic leaders since 1790. There are only two empty panels left.

At 67, M. Defferre is heading the Socialist Party's regional election effort, in a contest where Socialists and Communists stand to divide nearly all the honours between them — or to wreck each other. The rivalry is old and strong. M. Defferre, a moderate among Socialists and a late convert to the Common Programme of the Left, taunts the Communists by saying they only agreed to back him in the mayoral stakes last year so as not to expose their numerical inferiority.

The mayor himself is certain of re-election as one of the city's eight deputies, and is eager to try his hand again in national government. He shrugs off the political setback he suffered in 1969, when he ran for President against M. Pompidou and collected only 5 per cent. of the vote. Even the Marseillais voted against him, but that, says M. Defferre, was just because they reckoned he would lose.

Marseille is a traditional city swollen by rapid population growth. Over an area far bigger than Paris, it bustles and sprawls out in low-cost flat developments. A spanking new Underground railways runs out into the more prosperous part of eastern Marseille. The centre, hardly touched since the war, has gained a huge modern commercial centre, with multi-storey flats attached, where washing already hangs from balconies in the tradition of the dingiest alleys of old Marseille.

The city's pollution problems have long been awaiting solution with a sewage treatment plant that the authorities have not yet been able to afford. In the meantime, sewage is put a bit further out to sea than it used to be, while beaches on the southern side of town are being reclaimed for tourism.

A magazine survey last autumn on environment and the quality of life in 39 French towns put Marseille in bottom place. Although M. Defferre can proudly claim it has lost its role as France's crime capital—that title having gone to Lyon—Marseille cannot easily shrug off the shadey reputation that has accompanied it from the Count of Monte Cristo to the French Connection.

Unemployment has been rising since the oil crisis and is well above the French average at about 10 per cent. A couple of engineering plants have closed. Attempts by unionists to save a dairy factory ended when the new owners sent in thugs to break up the machinery, triggering off a dockers' sympathy strike and a major local scandal. The ship-repair business, which employs 10,000, has been in difficulties and the main yard shut down for a while.

Redemption was planned for Marseille in the form of steel and chemicals at nearby Fos. But the giant steel plant, the first in southern France, came into operation just as the steel market slumped and has been set back probably by two years. Another grand design, a navigable link between the Rhône and the Rhine, which would strengthen the role of Marseille, already the second port of Europe, is being held up awaiting funds.

The depressed industrial belt of Marseille is Communist territory. Of the current deputies, four out of eight in the town itself, and two of the other three in the Bouches-du-Rhone department are Communists. In the dockers' sector in the north of the city a Communist has always been returned by a straight majority in the first round.

The quarrels between Socialists and Communists—which in Marseille go back to before last year's split at national level—threaten to dislodge M. Defferre's closest lieutenant, M. Charles-Emile Loo, one of the four Socialist deputies in the department.

The Governing majority expects at least to keep its seat in the commercial centre of Marseille, held by a Gaullist. M. Defferre accuses the Gaullists of trying to tip the balance with 2,000 proxy votes irregularly recruited from French residents in Ivory Coast.

Polls reveal vulnerability of Left

BY OUR OWN CORRESPONDENT

PARIS, March 3.

THE LATEST public opinion polls confirm that, barring an eleventh-hour agreement between the French Socialist and Communist Parties, their quarrels could well deprive the Left of victory in the general election, due to be held in two rounds on March 12 and 19.

Though voting intentions for the first round have remained virtually unchanged—51 per cent. for the combined parties of the Left, compared with 45 per cent. for the Government Coalition Parties, according to a poll published in Le Figaro to-day—this gives a misleading picture of the final outcome, which is likely to be very close.

The Left, it is now generally accepted, can be sure of victory only if, in the decisive run-off on March 19, the Socialists, Communists and left-wing Radicals support a joint candidate. But so far only the Socialists have given an undertaking that they will stand down in favour of leading Communist candidates after the first round, without any guarantee that the Communists will reciprocate in constituencies where Socialists head the left-wing vote.

The Left's prospects have been further undermined by the poll's findings that a very large proportion of Socialist voters do not intend to respect their party's instructions to vote for a Communist candidate when the latter remains as the only representative of the Left in the second round.

France defies EEC increase in MCAs

BY ROBERT MAUTHNER

PARIS, March 3.

FRANCE TO-NIGHT defied the European Commission by refusing to increase the so-called Monetary Compensatory Amounts (MCAs) on its exports of farm products to other Community countries. MCAs offset currency fluctuations by making up the difference between the normal foreign exchange rate and the "green currency" rate by which EEC common farm prices are translated into national currencies.

A spokesman of the French Ministry of Agriculture said that France would maintain the MCAs at their present level of 21.5 per cent., in spite of the Commission's decision, announced to-night, that they should be raised to 23 per cent. on Monday. The French intend to leave the MCAs unchanged for at least the next week and, possibly, until after the general election is over on March 20.

France's move was in line with the urgent request made by the French Government to the Commission two days ago that MCAs should be frozen until after the election, when the exchange rate of the franc would be less affected by political uncertainty. The Government clearly wants to ensure that the price advantage gained by French farmers over the past two weeks from the depreciation of the franc against the strongest European currencies would not be wiped out by a rise in the compensatory amounts.

Generally speaking, the farmers' vote is expected to benefit the Government coalition parties, which are currently lagging far behind the Socialist-Communist opposition in the public opinion polls. The loss of a section of this support as a result of the farming community's discontent could spell disaster for the coalition in the election.

The French Government hoped that its request would be treated with sympathy in Brussels, particularly given the present tensions on the international currency markets and the possibility that there might be another run on the franc just before polling.

Paris now hopes that the Ministers of Agriculture of the Nine, who are due to meet in Brussels on Monday and Tuesday, will take a softer line than the Commission.

The French Government has already said that it expects the Council of Ministers to put an end to what it claims to be "particularly serious distortions" in the pig-meat sector and has taken several unilateral measures in advance of a decision in Brussels. In the longer-term, the French are calling for the complete abolition of monetary corrections to agricultural trade within the Community.

Iran oil link to be discussed

By Andrew Whitley

TEHRAN, March 3.

TALKS ON the future relationship between the National Iranian Oil Corporation (NIOC) and the 14-member Western oil consortium led by BP, which still produces and exports the bulk of Iran's oil, resume in Tehran to-morrow.

According to Iranian officials, the talks are scheduled to last a working week, probably winding up next Thursday. The consortium side is expected to be led by Mr. John Sutcliffe, a managing director of BP who has watched over the negotiations with Iran to revise the governing 1973 Sales-Purchase Agreement since talks first began more than two years ago.

The Iranian side will be led, at least initially, by NIOC's chairman, Mr. Houshang Ansari, but after the opening day the talks are expected to get down to details at the expert level. The opening day will probably be taken up with finalising the agenda.

Informed sources here fear that the recent top-level reshuffle at NIOC may limit the extent to which the two sides can get down to specifics.

A preliminary one-day meeting in Tehran at the end of January, attended by the consortium's vice-president, broke a long hiatus in the negotiations when neither side had been particularly anxious to alter the status quo. In January some progress is understood to have been made in establishing the key points to be resolved in these later talks.

The extent to which Iran is hedging its bets on the future of consortium liftings was demonstrated in next year's budget projections. These foresaw an actual decline in earnings from the consortium of $1.3bn., while NIOC's own direct exports are projected to soar by 61 per cent. to reach $6.2bn. in 1978-79.

Weizman to ask U.S. for military help

By David Lennon

TEL AVIV, March 3.

ISRAEL'S DEFENCE Minister, Mr. Ezer Weizman, flies to Washington on Sunday to ask for more U.S. arms and money at a time when U.S.-Israel relations are under serious strain because of the stalemates in the peace talks.

Despite the inauspicious timing of the visit Mr. Weizman is determined to press for more U.S. military assistance and less American political pressure. In his favour was his decision this week to stop the creation of a new settlement in the occupied Sinai.

It is expected that this will help his case as will the U.S. desirer to bolster the reputation of the Defence Minister.

Weather puts W. German unemployment higher

BY JONATHAN CARR

BONN, March 3.

THE NUMBER of unemployed in West Germany rose last month by 10,600 to a total 1,224,000 — an increase caused largely by the particularly severe winter weather.

The unemployment rate was 5.4 per cent., the same figure as in January but up on the 5.3 per cent. of February, 1977. The number of those on short time was roughly constant at 252,000, while the number of vacancies rose by 19,000 to 224,000.

Debate in West Germany on the labour market situation is now focusing less on the figures themselves than on the implications of an average 1m. jobless for the social security system.

Already the Government has been forced to act to curb the rate of increase in pensions over the next four years. It was faced with the prospect of a huge deficit because of the continuing high number of unemployed — who do not pay contributions to the pension funds.

Now there is also the threat of a big deficit in the budget of the Federal Labour Office. The Government is not prepared to say yet that unemployment insurance contributions will have to be increased. But the alternatives to that seem to be either a marked improvement on the labour market, which no one expects, more borrowing by the federal government, which is held almost impossible, or a rise in taxes — which is highly undesirable.

Swedish forestry credit

BY JOHN WALKER

STOCKHOLM, March 3.

THE AILING Swedish forest industry is to get a state credit guarantee amounting to Kr.900m., Mr. Nils Aasling, the Minister of Industry, has announced. The Minister will place the proposal before parliament next week and has indicated that the conditions for the credits will be stiff.

The Minister said that shareholders in the forest industry companies will be asked to contribute up to 25 per cent. of the loan and forego their dividends for the time being. This has not pleased the industry and has led to some hard criticism from its leaders.

The Government's proposed conditions for the loan include paying the normal interest rate plus 1 per cent. The loan will have a life of five years. The companies will also be expected to state how the money will be utilised and at what risk, and will not be allowed to increase their share capital during the period of the loan.

The Government propose that the guarantees will be in such a form that foreign competitors cannot claim that the Swedish companies are receiving a subsidy. The Minister said that he foresaw that 1978 would also be a year showing losses, but he thought that by the beginning of the 1980s things would be brighter.

Bank head takes office in Spain

BY OUR OWN CORRESPONDENT

MADRID, March 3.

THE NEW governor of the Bank of Spain, Sr. Jose Ramon Alvarez Rendueles, took office to-day after the resignation of Sr. Jose Maria Lopez de Letona, who has been the Central Bank head since July 1976.

Sr. Alvarez Rendueles, only 37, was the chief technocrat in the economy of the last Government. He co-ordinated between Prof. Enrique Fuentes Quintana, the chief economic minister and policy maker, who resigned last week, and the Finance Ministry headed by Sr. Francisco Fernandez Ordonez.

His appointment is seen as a confirmation that the economic policy pursued by Prof. Fuentes Quintana, embodied in the Moncloa Pact with the political parties, will not be basically changed. It is normal for the Governor of the Bank of Spain to change when there is a new Government.

To this effect the new Government issued last night after its first Cabinet meeting a statement reiterating its support for the Moncloa Pact with the political parties. The Government said its main concern was with the lack of investment and unemployment, now officially at just over a million out of a labour force of 13.3m. The Madrid Stock Exchange has not stopped sliding since the death of General Franco in November 1975.

However the new governor may have to ease the restrictions on money lending at the moment for there are some fears that unless there are some reflationary measures economic recovery will take longer than expected. Growth has slowed down to such an extent that it could be less than one per cent. this year.

U.S. Senate confirms Miller nominatio

By Jurek Martin

WASHINGTON, March 3

THE U.S. Senate to-day ov whelmingly approved nomination of Mr. G. Willi Miller to be the next ch man of the Federal Rese Board, succeeding the retir Dr. Arthur Burns.

The Senate action came a voice vote, with the l audible dissenter remain Senator William Proxm chairman of the Banking C mittee. His determination delve into the details Iranian payments made b subsidiary of Textron, wh Mr. Miller had headed, l delayed ratification of the Fed chairman by some months.

Senator Proxmire kept his opposition to the end this morning's brief deb which came as a break in protracted Panama Ca deliberations now consum the Senate. He described Miller as a "raw, outs amateur" who lacked technical expertise to run U.S. Central Bank.

He also argued that Federal Reserve would rem under a cloud while invest tions into Textron's over activities continued.

Canada to borrow $750m

By Victor Mackie

OTTAWA, March

THE CANADIAN Governm has announced that it s to borrow U.S.$750m. in United States through a pu issue of Government of Ca bonds.

The money will be use support the Canadian d and to cover a deficit in i national transactions. The nouncement comes after other decline in the valu the Canadian dollar in ter U.S. funds.

International money tra pushed the Canadian dolla 89.33 U.S. cents yester after learning that Ca spent $715.3m. of its U.S. lar holdings last month. Finance Minister, J Chretien, described month as "a particularly d cult month."

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HOME NEWS

...urope ...MPs' ...ask 'is ...ital'

...Ray Perman,

...IRECTLY-ELECTED European Parliament will face an ...tial task in making the ...cil of Ministers and the ...pean Commission accountable for the policies they pursue, ...Christopher Tugendhat, one ...e British members of the ...mission, said yesterday.

...aking in Glasgow, he said ...while it was true individual ...nal parliaments would ...ion their own representa... on the Council, they could ...nterrogate or influence the ...cil as a whole about the ...ies for which it was ...nsible.

...nly a supra-national body ...ised on a Community basis ...hope to perform the vitally ...ssary task of forcing the ...cil fully to explain and ...fy its corporate acts," he

...ust because this is so, the ...t of the European Parlia... properly discharging this ...tion will not be to encroach ... the legitimate preserves of ...nal parliaments, but rather ...ecure an extension of demo...c influence which otherwise ...d not take place."

...nce, like the American ...gress, the European Parlia...t would not be able to form ...overnment, it should follow ...gress's example and develop ... own powers to demand ...rmation in order to scrutinise ...rously the activities of other ...tutions.

... a later speech, Mr. ...endhat defended the Com...ion's decision to press for ...nomic and monetary union ...a time when many people ...ight it was politically ...ractical.

...We are now campaigning for ...nomic and monetary union, ...because it is central to our ...-term aim of developing the ...mmunity and because we ...eve it will provide a frame...k within which Europe's ...ral political-economic prob...s of high unemployment, low ...stment and inadequate ...wth can be tackled," he ...ed.

...olice warning ...n election

... MERLYN REES, the Home ...retary, has been warned by ... Police Federation's parlia...ntary adviser of possible ...ence at the next general ...tion.

...r. Eldon Griffiths, Conserva... MP for Bury St. Edmunds, ...gests in a letter to Mr. Rees ...t police chiefs should be given ...et of principles or guidelines.

...My anxiety is that for the ... time since the 1930s a ...eral election could be marked ...serious threats to public order ...ing in various parts of the ...ntry and frequently at very ...rt notice.

...The National Front seems ...tain to put up a large number ...candidates and groups of Left...ng extremists can be expected ...use violent methods to stop ...m."

...Air crash cost ...Lloyd's £10.2m.

...OYD'S of London yesterday ...d out $19.8m. (£10.2m.) in ...tlement of claims arising from ... Continental Air Lines DC-10 ...sh in Los Angeles last Wed...sday.

...he payment represents 60 ... cent. of the $33m. total value ... the insurance cover. The bal...e of it was placed in the ...ited States.

Law 'could lead to exploitation of home buyers'

BY MICHAEL CASSELL

HOUSE BUYERS could be exploited by "rogue" mortgage brokers because of laws on Restrictive Trade Practices administered by the Office of Fair Trading.

The claim was made yesterday by the Corporation of Mortgage, Finance and Life Assurance Brokers, which described the legislation as a retrograde step and claimed it encouraged disreputable mortgage broking activities.

The corporation says that it is no longer able to quote either a scale of maximum fees, recommended fees, retainers or any other charges. All relevant mortgage brokers' literature has been amended and members were being circulated with the revised guidelines.

The corporation said its progress over the last few years to self-regulate the mortgage, finance and life assurance broking industry "could be negated by this decision because it will no longer be possible to offer firm guidelines or advice, or give guidance on any charges made by a non-member."

It added: "We do not consider it to be in the consumer's interest for an 'open' market to be created by the removal of these controls. The failure of the Consumer Credit Act 1974 to curb the activities of 'rogue' brokers because of a weak and apparently unsatisfactory licensing system reinforces the necessity for self-imposed controls within the industry."

Developments had created a "rogues charter" in the opinion of the corporation and "the office of Fair Trading must accept responsibility for the consequences of their decision to remove these controls."

London's violent crimes up 23%

VIOLENT CRIME in London increased by 23 per cent. last year and the total of all crime in the capital was up by 12 per cent.

Mr. Gilbert Kelland, Assistant Commissioner in charge of CID, said yesterday: "It is cold comfort to me that the figures will be slightly below the national average.

"That figure has not yet been published but is likely to be 14 per cent."

The total number of crimes recorded in 1977 by the Metropolitan Police was 568,952—12 per cent. up on 1976 and more than twice the rate of increase for that year.

Scotland Yard said the "relatively high" rate of increase became apparent only during the last six months of last year, when the increase was 18 per cent.—much more than for the year as a whole.

There were 41 bank robberies compared with 28 in 1976, but 38 of the bank raids were in the first nine months of last year. The reduction in the last quarter came after a number of arrests.

Burglary increased by 15 per cent. and automobile crimes by 16 per cent.

The number of crimes cleared up and the number of arrests also increased. The total of offences cleared-up was 119,817—up 5 per cent. on 1976 at 21 per cent.

Arrests for indictable offences totalled 110,354, an increase of about 30 per cent. since 1970. Of those arrested 29 per cent. were children aged between 10 and 16 and a further 22 per cent. aged between 17 and 20.

The Yard said that, although they would not conclude from the figures that 29 per cent. of all crime was committed by juveniles, the figures indicated a "disturbing involvement in crime" by juveniles and young people.

The one department of crime that fell during the year was fraud and forgery, which included 16,500 cases of cheque fraud.

Manchester chosen for trade centre

FINANCIAL TIMES REPORTER

MANCHESTER has been recommended as the place for the first world trade centre outside London. Civic leaders said yesterday that a feasibility study of possible provincial sites, carried out by the Association of World Trade Centres, had "come down firmly in favour of Manchester."

Seven potential sites, all in central Manchester, are being investigated, including one in the city's Albert Square.

A four-storey complex, either purpose-built or a conversion, is envisaged, providing 50,000 square feet of exhibition space at ground level and three upper floors housing a multi-lingual secretariat, conference suites, offices, penthouse service flats, restaurant and cafeteria, and a world traders' club.

Mr. Bryan Eaton, the city estates officer, said that interest had already been shown by one potential developer.

Councillor Gordon Conquest, chairman of the Lands Committee, said Manchester had been recommended because it was "at the cross-roads of Britain's transport system, had a first-class airport, and major seaport, and more banks and insurance companies than any other provincial city, as well as the largest and most active Stock Exchange regional floor."

Other sites being examined include the former Central Station the Arndale shopping and office centre, now at an advanced stage of construction, and the Cook and Watts building in Portland Street.

Councillor Conquest said the centre, which would be linked to the formation of a world trade association, would serve the North and be a shop window for its export industries.

Liverpool port has potential for renaissance—Rodgers

BY OUR LIVERPOOL CORRESPONDENT

...E PORT of Liverpool has all ... potential for a renaissance. ...t there could be no special ...vernment funds to help to...rds this end, Mr. William ...dgers, Transport Secretary, ...d yesterday.

...t would be no good the ...rsey Docks and Harbour Com...ny approaching the Govern...nt with a begging bowl. ...ready £50m. of loans had been made available, said the Minister.

He was speaking during a day-long inspection of dock facilities on both banks of the Mersey. Afterwards he had private talks with union representatives and shop stewards.

"Although Liverpool has suffered like all British ports from the decline in world shipping, I have seen nothing which could not generate a feeling of hope, given energetic leadership. Indeed, there could be a renaissance," he said.

Asked about possible financial assistance, for this, with Merseyside classified as a special development area, Mr. Rodgers said: "I do not think the port needs special treatment. After all, £50m. of loans have been made available already.

"I have been able to make a visual assessment of the potential available and I am sure the signs are good."

A Government grant of up to 50 per cent. could be made available towards the cost of providing a freightliner terminal at the £50m. Royal Seaforth Dock complex at Crosby. This would handle up to 15,000 containers a year.

At present, containers are taken by road from Seaforth, 11 miles across the city, to the railhead at Garston.

There have already been talks on the £700,000 scheme between Mersey Docks and British Rail and the proposals were explained to the Minister on the site. It would be a modified scheme, compared with the original concept for the site — shelved on the grounds of economy.

No time schedule or destination terminal has so far been agreed.

Sir Arthur Peterson, chairman of the docks company, told the Minister that the port's rail link was essential to attract more trade. It would provide a better service for shippers and ease congestion on Liverpool roads.

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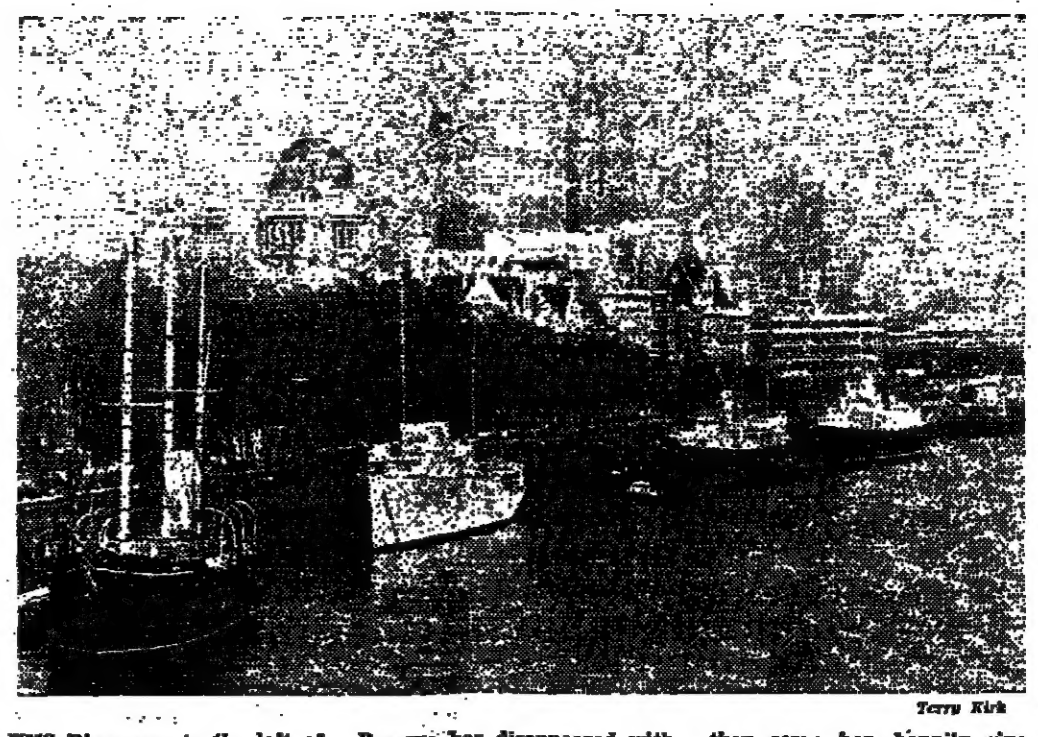

Terry Kirk

HMS Discovery, to the left of the line-up of permanently moored ships beside the Victoria Embankment (above), is up for disposal. The Ministry of Defence said yesterday that it wants to find a new owner for the ship that took Captain Scott to the Antarctic in 1901.

Discovery's prime function as a drill ship for the Royal Naval Reserve has disappeared with the reduction of the RNR. Also, the latest survey has revealed serious deterioration in the wooden hull.

An expensive refit plus annual maintenance costs can no longer be borne on pared-down Defence Votes, but because of the Discovery's history, the Ministry of Defence said it would, rather than scrap her, happily give the ship to anyone who seemed capable of preserving her.

HMS Discovery, 1,620 tons, with a waterline length of 172 feet, was built for the Royal Society and Royal Geographic Society. After Scott's expedition, she was used as a supply ship. In 1929 she was used on one more Antarctic expedition, under Douglas Mawson.

Call for reduction in tariffs to improve textile exports

BY OUR INDUSTRIAL EDITOR

INTOLERABLE tariffs against textile exports from Britain and the EEC must be reduced before Europe cuts its already very low ones, Mr. Ian MacArthur, director of the British Textile Confederation, said last night.

Britain's wool textile industry exported nearly £390m. of goods a year and this would rise as trade barriers were eased.

Reductions in tariffs would be a prime object of Britain's negotiators at forthcoming talks in Tokyo on tariffs, Mr. MacArthur told a meeting of the National Association of Scottish Woollen Manufacturers in Ayrshire.

The U.K. had tariffs of 13 per cent. for imports of wool cloth.

"These are among the lowest in the world and we look to other nations, like South Korea which imposes an 80 per cent. duty on the export value of imported cloth and Brazil, which imposes a duty of 205 per cent., to join us in seeking harmonisation in these artificial barriers," he said.

There were also problems with the developed world, particularly the United States. The U.S. proposal for a cut in the high tariff on wool cloth imports was no more than a "tiny, extremely disappointing token."

Tory rates pledge 'a pipe-dream'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A CONSERVATIVE authority on local government finance, Mr. Roland Freeman, has dismissed as a "political pipe-dream" the Tory commitment to abolish rates if they are returned to power.

In a pamphlet, The Rates Fiddle, he offers his alternative proposals for householders to offset their rate payments against income tax.

The pamphlet is published by the Bow Group, which is opposed to extreme Right-wing Tory policies. Mr. Freeman is Greater London Council member for Finchley — the constituency represented in Parliament by Mrs. Margaret Thatcher. He is also a former GLC finance committee chairman.

His proposals suggest that the offsetting of rate demands against income tax would spread the load more fairly, shifting more of the burden on to non-ratepayers, who use the services and amenities which ratepayers alone pay for at present.

Householders would receive a rate demand showing a net figure after deduction at the lowest rate of income-tax. The local authority would then recover the deducted tax from the Exchequer.

Education would also be financed wholly by central Government, while county councils and the GLC would lose the right to precept for rates. This would remove the need for general rate support grants to local Government.

Leyland buses orders reach £143m. record

BRITISH LEYLAND announced yesterday that an increasing worldwide demand for its buses meant that it had a record order book worth £143m. More than 7,000 buses, half of them double-deckers, had been ordered.

By the end of last year Leyland's penetration of the home market had risen by more than 4 per cent, to 87 per cent. for double deckers, and by 3.6 per cent. to 52.4 per cent. for single deckers.

Export orders for Africa, the Middle East, Australasia, Portugal, Denmark, Jamaica and Hong Kong were worth £43m., Leyland Truck and Bus said.

● A revamped cab for Leyland's range of light and medium trucks is to be introduced in the U.K., following its launch in Europe at the Amsterdam show recently.

The G-cab replaces the "ergomatic" version and is part of a new campaign by Leyland to improve sales.

Leyland claims a substantial improvement in driver comfort, now an important factor in lorry sales. The Boxer range is to be built with lighter bodies, which will increase payload by about 5 per cent.

Mental illness dismissal 'fair'

THE National Association for Mental Health (MIND) said last night that it would appeal against a Liverpool industrial tribunal ruling that the Prudential Assurance Company did not unfairly dismiss an agent who failed to disclose a history of mental illness.

The company told the tribunal that it would not run the risk of embarrassing clients

But the agent, Mr. Henry O'Brien, 38, of Formby, Lancashire, last night called the decision a "gross injustice" and "bad for the many people who have suffered a nervous breakdown as I did."

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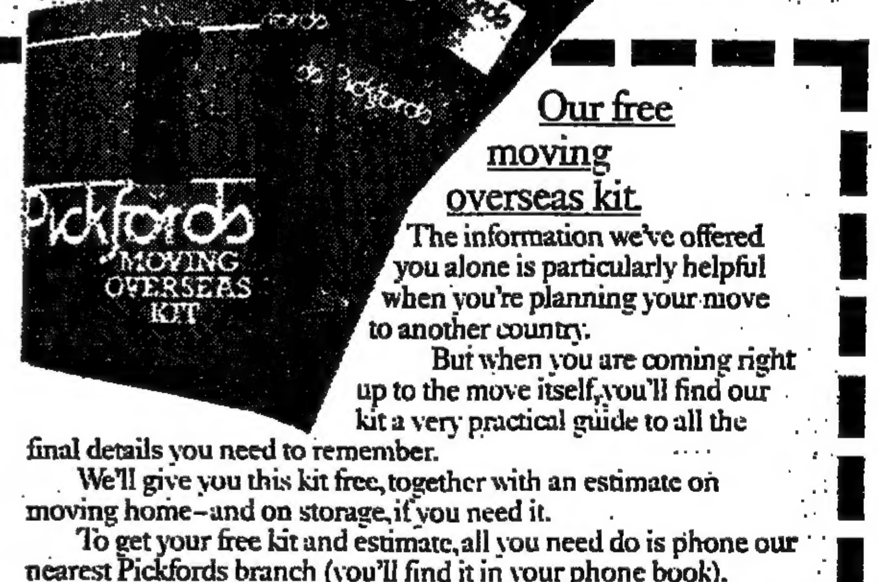

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To get your free kit and estimate, all you need do is phone our nearest Pickfords branch (you'll find it in your phone book).

The kit includes advice on who to tell you're moving (what to do about your bank, the Inland Revenue, your medical records, etc), a guide on how taking your assets is affected by current exchange control rules, as well as advice on how to size up the estimate.

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And, of course, we'll include with these brochures our free Home Moving Guide. Sixteen pages in full colour filled with useful information – including a special section on moving overseas.

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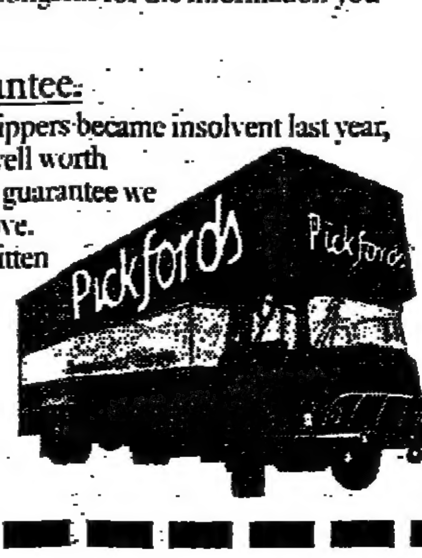

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HOME NEWS

Sharp fall in frozen vegetables sales

BY CHRISTOPHER PARKES

SALES of frozen vegetables have fallen this winter. Birds Eye and other leading processors have been left with heavy carry-over stocks in their cold stores of peas, beans and sprouts.

As a result, farmers who grow these crops on contract have been told to grow less and forced to accept a price freeze for this year.

Potato growers, too, have been warned by the Government to limit planting this spring or face a surplus and falling prices next winter.

Birds Eye has ordered a 20 per cent. cut in the acreage planted with Brussels sprouts this season, a 30 per cent. reduction in the area sown with beans, and a 15 per cent. drop in pea production.

Prices paid to farmers will be the same as last year.

Birds Eye, which claims a 50 per cent. share of the U.K. market in frozen vegetables, regards the consumption cut this winter as temporary.

The U.K. Association of Frozen Food Manufacturers said the trouble started when shortages in the drought year of 1976 pushed fresh vegetable prices up to record levels. Frozen food sales boomed.

Good profits tempted the freezers to increase their intake of vegetables for processing last year. The weather obliged and bumper crops provided them with ample supplies.

But the increase in output coincided with a mild autumn and winter, which meant that fresh produce remained available and cheap. Shoppers reverted to buying fresh vegetables and frozen food sales slumped.

In January, a cold spell pushed up prices of fresh produce and increased interest in frozen goods, but the interest was short-lived.

Farmers appear to have accepted the price freeze philosophically. They had a record year in 1976, which followed an unusually profitable season in 1975.

Mr. D. Alston, chairman of the National Farmers' Union vegetable committee, said that farmers could expect higher prices only if the processors made profits. But he warned that he would be keeping an eye on retail prices during the coming season.

In a Parliamentary reply yesterday, Mr. Silkin, Minister of Agriculture suggested that farmers should take "the prudent course" and reduce potato sowings by 13 per cent. "and thus avoid the problems which a heavy surplus can present."

Airline division has £½bn. ticket sales target

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TICKET SALES of more than £500m. from the British Airways U.K. and Ireland division were essential in this financial year if the airline was to meet its overall financial target and be able to afford new aircraft for its fleet, it was claimed yesterday.

Mr. John Norton, controller of the newly created U.K. and Ireland division, told staff yesterday that meeting this sales target was vital. It represented one-third of the total revenue budget of British Airways for 1978-79.

But equally important was the need to restore "credibility" in the market place. "As we all know, 1977 was a year of one crisis after another, and the people who suffered most were our passengers and shippers, and particularly those travelling from our provincial airports," said Mr. Norton.

"Shortages of Tridents caused many cancellations of flights which particularly affected customers wishing to make connections on to our long-haul routes out of Heathrow.

"We are determined to protect the aircraft availability and capacity we need for the 1978 summer season, particularly for the Shuttle and other trunk routes which suffered so badly last year.

"We are also trying to improve connections from provincial points into and out of Heathrow, and as the summer develops, from Gatwick

"With the strengthening of the pound sterling against many foreign currencies, the financial task of the U.K. and Ireland division is also vital to the profit-

Motor premiums to rise for 1m.

BY ERIC SHORT

ABOUT 1m. motorists insured with the Guardian Royal Exchange Group face paying on average an extra 14 per cent. for their comprehensive motor insurance.

The company has announced that from April 1, it is raising its motor premiums by amounts varying from 10 to 17 per cent. The company is raising its commercial vehicle rates by an average 15 per cent.

Guardian Royal Exchange put up its motor rates 12 months ago by an average 15 per cent. The company has now rerated its premiums on an annual basis for several years and intends to keep to a yearly basis as far as possible, since it regards this as the fairest method of treating policyholders.

The company, in common with other motor insurers, has seen a steady rise in the number of claims during 1977 as petrol prices remained steady or have been reduced.

The effects of the energy crisis of 1974 which caused motorists to reduce their driving has now completely worn off.

Therefore, motorists are more exposed to accidents and not surprisingly, claims have risen to levels pertaining before the crisis.

Sun Alliance also said that it is raising its motor premium rates from April 1 by an average 12½ per cent. But the actual increases will vary according to location.

In some areas, it will rise by as little as 7 per cent. In others, it could be as much as 16 per cent. The company was not prepared to give more specific details.

Give pay guideline pledge, advertising agencies told

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE GOVERNMENT has demonstrated its determination to operate the pay policy through all types of Government contracts by including advertising agencies in the businesses expected to pledge that they will not break the pay guidelines.

Acting on instructions from the Treasury, the Central Office of Information has written to the 18 main advertising agencies through which it places Government advertisements in newspapers and other branches of the media. These advertisements cost a total £17m. last year.

The CoI has said that the agencies must state that they have not exceeded, and will not exceed, the pay guidelines for their own employees.

More controversially, the CoI has also said that the agencies are responsible for the wages paid by their subcontractors. This is one of the key points at issue in the talks between the Government and the CBI which resume on Monday with a key meeting between Ministers and CBI leaders.

However, fears that the Government would regard newspapers, television companies, and other recipients of Government advertisements as the agencies' subcontractors have been dismissed as unfounded by the CoI.

Agencies checking on this point have been told that they will not be held responsible for the wages rises awarded for example, by national newspapers.

Only businesses such as design offices and production studios would be regarded as subcontractors in this context.

Thames water rates rise cut

BY JAMES McDONALD

THE THAMES Water Authority, after discussions with the Price Commission, decided yesterday to reduce its increases in water charges for the coming financial year.

The new charges will come into effect from April 1. Compared with a proposed increase of about 15 per cent. for householders, the rise will now be about 10.4 per cent. and the planned rise of 18.6 per cent. for commerce and industry has been reduced to about 10.8 per cent.

But it was stressed at the authority's special meeting that the new reduced increases in charges could only be interim ones.

Under its constitution, the Price Commission, until its inquiry is completed by May 23, cannot allow the authority's estimate—included in its original charges—of about £5m. anticipated increased costs.

For the average London householder, the increased water charges, allowed by the Commission, will be about £4.75 up on the year to £36.75, compared with the authority's original proposal of about £37.50.

Courtaulds cuts 560 jobs

By Our Liverpool Correspondent

MORE THAN 500 workers, most of them men, are to lose their jobs as a result of the closure of two sections of Courtaulds' operations at Aintree in Liverpool and at Wrexham.

The 334 employees at Aintree and 240 colleagues in North Wales heard of their redundancies in a company statement yesterday.

The company said it was closing the warp-knitting and dyeing sections because of £3m. losses last year.

A mass meeting may be called by the Transport and General Workers' Union on Monday.

NEWS ANALYSIS—NATIONAL ENTERPRISE BOARD

A winner in the North

BY JOHN LLOYD

THE NATIONAL Enterprise Board has now and again, been accused of picking losers. In Mr. Edward Allen, however, the Board seems—judging by his past form—to have picked a winner.

The Board is subscribing for £140,000-worth of convertible preference shares in a company called Vicort of London, which is, oddly, based in Newcastle upon Tyne.

The Board retains the option of converting its shares into 32 per cent. of the equity, and Vicort retains the right to buy the Board out.

The decision was the first investment approved by the NEB's new Northern Regional Board, which began work in January. It can scarcely have many qualms about its investment's future success.

Vicort was started in 1974 by Mr. Allen, then 26. A South African, he had sold racquets there for Grays of Cambridge, taking a few months' sabbatical every year to play world-class badminton.

But he was disappointed that Grays would not open a factory in South Africa, and that its supply time was about 18 months.

Mr. Allen, from his twin vantage point as salesman and player, had spotted two trends. First, that badminton was becoming steadily more popular —it is now reckoned to be the fastest-growing participatory sport in the country, with about 3m. players—and that there was a rapid swing away from wood to metal frames.

He resigned from Grays and, with the backing of a friend, secured an £8,000 loan from Lloyds Bank.

Vicort of London was set up in Newcastle because of government grants — interest relief, employment and training grants. Initially, it employed seven people.

It is now capitalised at about £500,000, employs 120 people, has moved once and is about to move again. Why has growth been so rapid?

Perhaps most important has been the lack of much competition. There are three companies in the "quality" badminton racquet field: Vicort; Carlton, a subsidiary of Dunlop, based in Essex; and the Japanese company Yonex.

There is, of course, a good deal of "rubbish"—Mr. Allen's description — imported from India, Korea and Taiwan. "Quality" is a racquet costing about £14: "rubbish" comes in at £4.

Aggressive selling has complemented the sparseness of rivals. Vicort markets through the main sports retailers, multiples such as Woolworth, and direct-mail advertising, a particularly successful area.

Even more profitable, because there are no promotion or sales costs, is the production increasingly undertaken for other manufacturers, like Gola, Mitre and—a nice irony for Mr. Allen—Grays of Cambridge.

Vicort manufactures, the other market under their own brand names.

The company has been innovative in design. Mr. Allen went to the University of Newcastle's Metallurgical Department for advice on the aluminium which he uses for the frames, and he himself designed the shape of the head, and set the balance of the racquets.

He also had his machines made to his own specifications by a local company. The machines bend the aluminium, groove it, and punch holes for the string.

The export market, which already accounts for 40 per cent. of sales, is seen as the main growth area for the immediate future.

Indonesia, Scandinavia, and Holland have been selected as Vicort targets.

Larger bench to try Mail contempt case

THREE JUDGES decided yesterday that a case involving an alleged contempt of court by the Daily Mail should be heard by a larger bench of judges so that judgment in a 1959 contempt case could be reconsidered.

Lord Emslie said in the High Court in Edinburgh that there were reasons which would justify another look at the previous judgment—*Stirling v. Associated Newspapers*.

In yesterday's case, the owners of the Daily Mail, Associated Newspapers, Mr. David English, the editor, and Mr. Peter Davenport and Mr. Frank Thompson, two journalists, were accused of committing contempt and interfering with the course of justice.

The judges dismissed the petition so far as it applied to Mr. English, Mr. Davenport and Mr. Thompson, and agreed that Mr. Peter Clowes, northern editor of the Daily Mail, should take the place of Mr. English in the petition.

Mr. Archibald Thomas Hall, 53, alleged that a report in the newspaper on January 19 might have created impressions which would seriously prejudice his trial.

The petition, alleged that the Mail report constituted "a gross interference with the course of justice." It stated that Hall was detained by the police on January 16 in connection with investigations into the killing of Donald Hall, whose body was found in the boot of a car at North Berwick, Lothian.

On January 19, the Daily Mail, edited by Mr. English, had published an article written by Mr. Davenport and Mr. Thompson, the petition said. This article, together with a photograph of former Labour MP Mr. Walter Scott-Elliot with his wife Dorothy, comprised the whole front page and continued on page three.

Mr. Kenneth Cameron, QC, for Associated Newspapers, submitted that Mr. Hall had not been charged at the time of publication and that consequently there had been no contempt. He said a considerable amount of information published in the newspaper came from Press conferences held by police.

There had been general publication in newspapers on both sides of the border two days before publication in the Daily Mail.

Mr. Cameron invited the court to dismiss the petition so far as it related to contempt and in any case to make no order in regard to Mr. Davenport and Mr. Thompson.

● In *Stirling v. Associated Newspapers* in 1959, the editor of the Scottish Daily Mail was fined £500 and Associated Newspapers £5,000 for contempt after a petition was presented on behalf of a man accused of murder.

Malaysian Concorde talks to resume

BY OUR AEROSPACE CORRESPONDENT

TALKS BETWEEN Britain and Malaysia about Concorde flights through Malaysian airspace to and from Singapore are to be resumed next week in Kuala Lumpur.

Mr. George Rogers, Department of Trade under-secretary responsible for airline route negotiations, will be meeting Malaysian officials on his way back to London from discussions in Australasia.

Concorde flights to and from Singapore have been suspended since December, after only three round-trips between Bahrain and Singapore, because of Malaysian objections. These are ostensibly on environmental grounds, but many aviation observers believe that other factors are also involved.

One is Malaysian dissatisfaction with the Anglo-Malaysian bilateral air agreement. It is believed that Malaysia wants additional flights into London and Hong Kong.

If the talks are successful—and according to Mr. Donald Hawley, British High Commissioner in Kuala Lumpur, the U.K. is "optimistic"—Concorde services could be resumed quickly, possibly before Easter.

They will not be affected by the decision of the Indian Government, announced yesterday, to continue refusing Concorde permission to overfly Indian territory supersonically.

Concorde has never flown across India. During both the proving flights for the Singapore service and the fare-paying passenger services last December, Concorde flew round the southern tip of India and Sri Lanka, completely avoiding both countries.

Permission to overfly India supersonically had been sought by Britain because it would cut the time and fuel consumption involved in flying south of India, thus improving Concorde's payload on the Bahrain-Singapore service.

Without this overflying, the payload would have to be restricted, especially during the very hot monsoon periods, to enable more fuel to be carried for the non-stop journey.

Supersonic overflying of India, although desirable economically and technically, is not essential, however. British Airways and Singapore Airlines can continue the flights as they began them, by making the detour of several hundred miles.

The supersonic corridor sought across India would have run from north of Bombay to south of Madras and would have taken 20 minutes to cover.

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LABOUR NEWS

Denning criticises immunity given to wildcat strikes

BY PHILIP BASSETT, LABOUR STAFF

LORD DENNING, Master of the Rolls, yesterday criticised the immunity given by Parliament to unofficial and wildcat strikes.

Addressing the Holdsworth Club, whose members are law faculty staff and students of Birmingham University, Lord Denning said that wildcat strikes were called by groups who were answerable to no-one and who were, he feared, sometimes led by those who had no sense of responsibility.

People sometimes spoke of a right to strike as if it were one of the fundamental rights of mankind. The law, though, knew of no such right when a strike was used to inflict great harm on innocent bystanders, to disrupt essential services or to bring the country to a halt.

Those who did such things were exercising not a right but a great power. The courts could do nothing to restrain them because Parliament has forbidden them to act when a strike was "in contemplation or furtheran[ce of] a trade dispute."

The definition of a [trade] dispute was so wide that great stretches of human a[ctivity ...] the power to strike was limited.

He sometimes wond[ered] though, why Parliament extended that power to cove[r un]official strikes, sometimes c[alled] contrary to union instruction[s,] to wildcat strikes which inf[licted] sudden and disastrous i[njury] without warning.

Lord Denning also criti[cised] the system of selecting com[pany] directors, which he said ma[de a] company Board "a self-perpe[tuat]ing oligarchy."

The majority of public [com]pany Boards were made u[p of] directors who used enormous power honestly [and] wisely.

There was the rare case, [how]ever, when those in control [used] their inside information to [line] their own pockets and then [kept] their misdeeds secret.

Winders' row could shut Doncaster pits

BY PAULINE CLARK, LABOUR STAFF

THE coal producing area around Doncaster yesterday came under threat of a strike by winders because of a dispute and early retirement.

The 90-strong National Union of Mineworkers' winders group, whose members operate the lift-cages at the surface of 10 pits in the area, said they were issuing notice of a strike to start in three weeks' time if no solution to their grievances were found. The decision followed a ballot in which a big majority was said to have come out in favour of industrial action.

Although only a small group, the winders occupy key positions in the pits and their action could bring production to a complete halt. In the last financial year, the area contributed some 7.7m. tonnes of coal to the total coalfield output of 30.6m. tonnes.

Neither the Coal Board nor the NUM has yet received formal notice of the winders' decision. But the group has a militant background. Only [two] weeks ago they organised a [one-]day strike over the bonus i[ssue].

The winders complain [of] having received a "raw deal" [in] the outcome of recent neg[otia]tions on bonuses and early [re]tirement.

Under the NCB product[ivity] scheme coalface workers re[ceive] the highest bonus. Elsew[here] underground miners take 50 [per] cent. of that bonus while su[rface] workers — including winder[s] — receive 40 per cent. The l[ast] payments for the week en[ding] February 25 gave the t[hree] groups £20, £10 and £8 re[spec]tively.

Meanwhile in North De[rby]shire, the area incentive sch[eme] has caused a spate of str[ikes] affecting High Moor Colli[ery] near Killamarsh, where al[l] 500 men are on strike, Tenis[on] Oark Colliery, where som[e] men are not working, and [Ire]land Colliery, where miners yesterday returned to work a[fter] a two-day strike.

Kodak withdraws threat over bonus payment

FINANCIAL TIMES REPORTER

KODAK DIRECTORS have withdrawn their threat not to pay their 11,000 employees £4.3m. in bonus payments.

On Thursday the company had suspended average payments of £400 because of unofficial industrial action by workers at its Harrow and Kirby plants.

But after nine hours of tough negotiations yesterday, Kodak agreed to reinstate the bonus payments and in return the Kodak union leaders have agr[eed] to urge Kirby and Harrow return to normal working.

The unions have also agr[eed] to make strenuous efforts [to] ensure that in future Ko[dak] workers act within the agr[eed] procedure.

A statement issued by man[age]ment and the union did not dicate what will happen if workers do not accept un[ion] advice to work normally.

Railways pitting section against section—Buckton

MR. RAY BUCKTON, general secretary of the train drivers' union ASLEF, warned the British Railways Board yesterday that peace would not be achieved in the rail industry by pitting section against section.

ASLEF's threat of a strike was called off this week but the dispute is still simmering. Mr. Buckton said that by making the offer to pay-train guards, which is at the heart of the dispute, the Board had "decided to turn the clock back."

By pitting section against section, the Board would create an industrial relations climate disastrous in a nationalised public service industry.

The warning, made in the ASLEF union journal, indicates that the resumed rail pay talks could see some tough bargaining as ASLEF tries to restore differentials lost in the last th[ree] years of pay policy.

Mr. Buckton claims that Board has eroded the princip[le] and spirit of a Railway S[taff] National Tribunal decis[ion] nearly four years ago calling [for] the consolidation of all bo[nus] payments, including those [of] guards.

Steel workers return

A TWO-WEEK strike by engineering workers which crippled the Ebbw Vale st[eel] plant in North Gwent is over. [The] men, members of the Am[al]gamated Union of Engineer[ing] Workers, called off the str[ike] yesterday in the light of talks [to] be held early next week.

Radio officers end action

INDUSTRIAL action by radio officers working on North Sea oil rigs has been called off after settlement of a dispute over productivity payments.

The Radio and Electronic Officers' Union agreed to end the nearly two-week work-to-rule by 44 radio officers after Marconi Marine management agreed to bring the officers under last year's National Maritime Board pay award. Only a few hours before settlement was reached, the union had called for stepped-up action by its members.

After a series of consultatio[ns] with the Employment Depa[rt]ment the company said yest[er]day that the radio officers wo[uld] receive the Phase Two pay crease awarded to Merch[ant] Navy radio officers backdated last June.

They would also benefit fr[om] 12½ to 14½ per cent. productiv[ity] increases dating from Nove[m]ber.

Storekeepers continue strike

GEC STOREKEEPERS, on strike for three weeks over a pay claim which the company says is above the pay guidelines, voted yesterday to continue the stoppage.

The 300 strikers, who have rejected mediation and arbitration offers, do not meet again until next Friday. They want a £2.88 flexibility allowance in addition to a 10 per cent. p[ay] increase.

The company says it can[not] offer more than 10 per cent. [for] fear of losing Post Office te[le]communications equipme[nt] orders.

The strike has halted prod[uc]tion at GEC's four factories [in] Coventry and 2,500 workers ha[ve] been laid off.

Aerospace staff discuss tactics

THE executive of the British Aerospace Staff Association meet to-day to consider the possibility of taking industrial action on British Aerospace sites over recognition and a participation plan.

A non-co-operation polic[y] which the association's 2,0[00] members could be asked to p[ut] into practice, would hit [its] engineering jobs in the aircra[ft] and missiles sections of Briti[sh] Aerospace.

هكذا من الأصل

THE WEEK IN THE MARKETS

Lack of demand for equities

LONDON

ONLOOKER

Investment demand suffered a week of growing industrial unrest and a warning from the Government that the estimated growth in GDP for 1978 might not be met. For the bulk of the week markings fell well below the 5,000 mark.

For the first three days equities meandered along quietly although the small gain on Tuesday was the first for seven trading days. But the tone changed drastically on Thursday following the Government's announcement together with the poor results from EMI, and the Financial Times Industrial Ordinary Index fell over 10 points. A better showing was seen late yesterday but again interest was minimal.

EMI shaker

EMI's first-half performance resembled that of a quality record being played at the wrong speed. The potential for sweet music is there but the sound currently coming out is all wrong.

In the first six months group profits almost halved as combined earnings from EMI's principal divisions, music and electronics slumped by 58 per cent. Prospects for the second half look grim. Group chairman, Sir John Read, ironically told a meeting of institutional investors and advisers in London yesterday that EMI's second half may be as good as the first—it might even be a bit better.

Electronic profits in the first six months slid from £12.25m. to £1.3m. and one broker yesterday estimated that worldwide losses from EMI's scanner business may have been between £2½m. and £3m.

These may have been even higher in the U.S. where the group has faced increasing competition in a market which has been seriously damaged by the Carter administration's restrictive policies on medical expenditure. In addition EMI has faced heavier-than-anticipated costs for up-dating existing scanners under its one-year warranty scheme.

EMI believes that it is over the worst of these costs and has taken steps to reduce its heavy overheads by cutting its U.S. scanner labour force from around 780 to 620, and will eventually reduce this to 500—about half of which will be in the field, on self-financing service work.

However, competitive forces are still mounting, there are now 4 rival suppliers of scanners in the U.S. alone, and elsewhere in the world other competitors are emerging. Some will eventually fall by the wayside but it may take as long as two years for the market to settle down.

The music divisions have also had a tough time. The business has traditionally worked on the principle that half the records sold in any one country are locally produced: the rest are imported sounds. In earlier years U.K. artists, such as the Beatles, have taken a lion's share of this market—to EMI's benefit. Currently U.S. artists, aggressively promoted by the Warner and CBS labels, are in ascendancy.

Capitol, which is EMI's record company in the U.S., appears to lack big name stars and has currently been left behind in the race. It has been spending hard on new talent (and there are plans to launch a new record label) in a bid to catch up and this has further depressed its figures.

The potential for the music and scanner businesses is great; it is just a question of getting in the right groove.

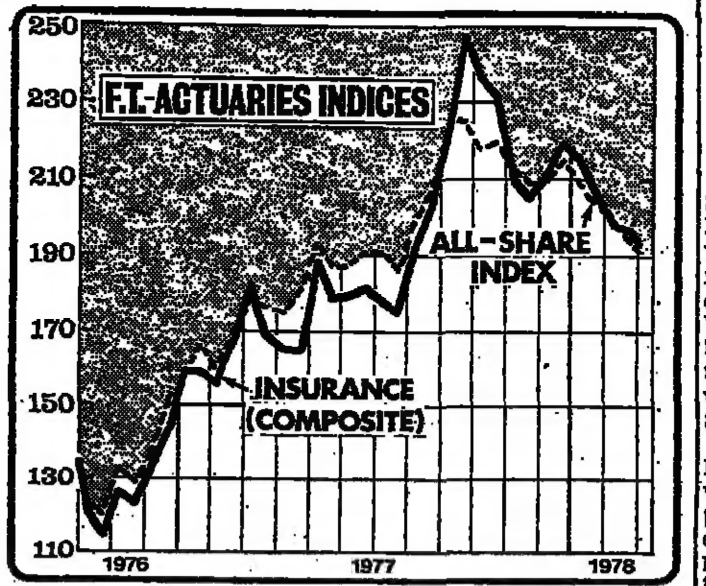
Jobbing betrothal

The Monopolies Commission gave the go-ahead to the plan of two leading jobbing firms, Smith Bros. and Bisgood Bishop, to merge. But whether, after this enforced pause for reflection, the two will actually make it to the altar remains subject to negotiation, for the original terms are now obsolete.

Despite the dwindling number of jobbers now making markets on the Stock Exchange floor, the Commission bought the argument that there was a relatively small overlap in the ranges of shares dealt in by both firms. It also accepted that a third big jobber in the share market might challenge the dominance of Wedd Durlacher, and Akroyd and Smithers. Finally, there was the chance that the merged firm would be in a better position to compete in the international security markets and thus boost the City's invisible earnings.

This last point raises the question as to how jobbing firms can gain access to the international markets. London's Stock Exchange is almost alone in imposing rules that, in theory, deprive its market makers of all contact with the outside world except through its member-brokers. The lure of international securities business, where firms tend to combine the function of market-maker and broker, has encouraged jobbers to find loopholes in the rules that allow them to deal directly with foreign security traders. This has led to tension between jobbers and brokers in London.

The Exchange is now moving towards a change in the rules that will give greater international freedom to the jobbers. But each step in this direction makes the separation of brokers and jobbers in London appear more vulnerable.



BP projections

BP's shares are languishing around 720p, their low for the year, with good reason. Analysts' forecasts have been pulled back steadily since the middle of last year. And Tuesday's reassessment by the New York brokerage house Wertheim highlighted the trend that some London brokers have already been anticipating.

Wertheim's reassessment led to a temporary suspension of BP's U.S. associate Sohio, and a subsequent drop in its share price of over $5. In London BP's shares dropped 6p to 720p.

The specific problem with BP centres on its U.S. output where Sohio has only been able to sell 180,000 barrels a day into the West Coast market against 250,000 b.d. hoped for, while transport costs have been higher than anticipated.

As a result earnings per share from Sohio have been pulled back from around 65p-70p to, taking a conservative forecast, 40p a share.

All this and the disappointment with the Forties field not reaching its planned 11 per cent. increase in volume, together with weak oil prices, poor market conditions for the chemicals operations, and adverse currency movements, now means that BP could turn out earnings of 110p a share for 1978, against earlier forecasts of up to 300p.

THE TOP PERFORMING SECTORS IN FOUR WEEKS FROM FEB. 2.

	% Change
Insurance Brokers	+ 4.8
Tobaccos	— 0.1
Breweries	— 2.8
Chemicals	— 2.9
Insurance (Composite)	— 3.3
Mining Finance	— 3.3
THE WORST PERFORMERS	
All-Share Index	— 5.1
Contracting and Construction	— 8.7
Shipping	— 9.2
Merchant Banks	—10.1
Entertainment, Catering	—10.6
Hire Purchase	—10.6
Newspapers, Publishing.	—17.4

Composites shine

It was all smiles this week when the three composite insurance companies with big U.S. interests reported their 1977 results. For each one, Commercial Union, General Accident and Royal had good news to report from this problem territory. CU and Royal returned to underwriting profits while GA had only a small loss—the final quarter's business in each case proving extremely profitable and resulting in market forecast of earnings being too low. The outlook for this year in the U.S. continues to look good, indicating even better results for these three companies in 1978.

The U.S. turnround more than compensated for adverse results in some other areas of operation. Holland is proving a most unprofitable territory in which to operate, and continental Europe as a whole is unexciting. Results in the U.K. from the three companies were patchy, with motor business turning sour in the second half of the year. Meanwhile CU's share price continues to shine in a sector that has generally marked time with the all-share index this year.

Lugubrious

NEW YORK

March 3
JOHN WYLES

SNOW IS FALLING again in New York to-day, clouding both the city's skyline and the nation's economic prospects. The economic statistics published in Washington this week have not been good and have confirmed the lugubrious view of the world down on the New York Stock Exchange.

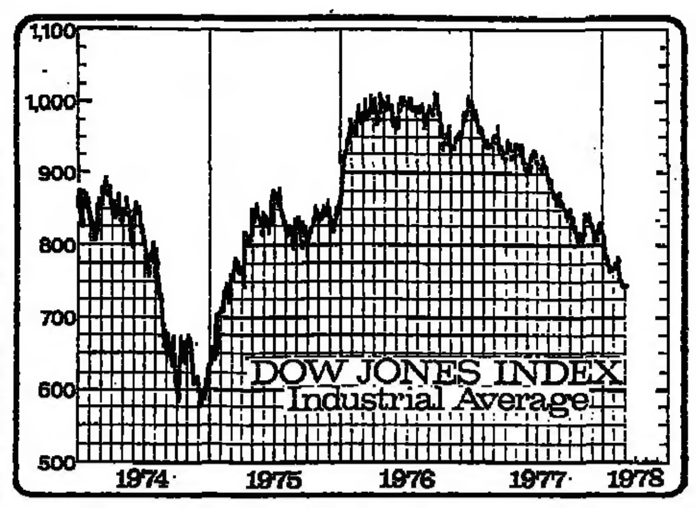
The Government's index of leading economic indicators which is regarded as the most potent harbinger of future economic activity plummeted 1.9 per cent in January. This was the steepest plunge in three years and was not unexpected in view of the severe January storms which have so severely disrupted the nation. The February statistics will almost certainly be similarly affected with the result that it will be virtually impossible to discern whether the underlying health of the economy is sufficient to produce the 4.5 to 5 per cent. real growth expected by the Carter administration for this year.

The coal miners strike will also distort the figures for the first quarter but however much the miners and the weather have dragged the economy down, the Administration expects a sufficiently vigorous bounce back to justify its expectations for the year. From the investment point of view the irony is that if the economic indicators could have been taken at their face value they might have provided the first stimulus needed to stir the stock market out of its lethargy.

However optimistic some analysts may be that the technical basis for a powerful rally may just be hoving into view, there is plenty of evidence to suggest that stocks are unlikely to move upwards until the market's pessimistic view of the future of the economy is proved justified.

In other words the market, whose predictive powers the wags say have pointed to nine of the last five recessions needs to be proved right before money starts to flow into equities. A few other things also need to happen, of course, including stabilising the Dollar abroad and curbing inflation at home (in January the seasonally adjusted annual rate of inflation was 8.4 per cent.). Rising prices and the falling Dollar are both regarded as potentially powerful stimulants to short term interest rates.

There is little doubt that the institutional money which so many analysts believe ought to be purchasing equities is at the moment sitting on the side lines in various forms of cash equivalents waiting for an interest rate peak. Despite the fact that price earnings multiples have not looked better for years, many institutions are still restructuring their portfolios at the expense of the glamorous group—International Business Machines, Texas Instruments, Philip Morris, National Cash Register et al. Despite their widely predicted decline secondary stocks are still attracting money and are holding remarkably firm, but this group could well take sick through profit taking over the next few weeks.



	Close	Change
Monday	748.34	—7.89
Tuesday	742.12	—6.73
Wednesday	743.33	+1.21
Thursday	746.45	+3.12
Friday	747.31	+0.86

To the end of the rainbow

MINING

PAUL CHEESERIGHT

THERE WAS a note of defiance, a touch of desperation even, in the annual statement of Mr. Edwin Carter and Mr. Charles Baird, the chairman and president of Inco, the Canadian group which is the world's largest producer of nickel.

"We remain convinced that nickel is not going out of style," they said. They could scarcely say anything else if they were to mollify nearly 80,000 shareholders, especially as they are sitting on top of a stockpile of 341m. lbs of nickel worth some $682m. (£352m.) at current prices.

Inco's stringent retrenchments to preserve its financial position are now part of history. Allied to a near halving of capital expenditure to $230m. (£113.4m.) this year as their Indonesian venture is completed, they should allow the group to end 1978 in better shape than it ended 1977.

But the heady expansionist days of the early 1970s look as far away and as difficult to reach as the end of the rainbow. Certainly a dramatic improvement in the market position is ruled out. "We believe there will be some increase in the demand for nickel in 1978, but it continues to be extremely difficult to foresee market developments," stated Mr. Carter and Mr. Baird.

The group is receiving an average of $2 a pound for nickel at the moment, which is 17 cents less than the average for 1977 and is roughly at the level for 1975. Even this price is at a substantial premium over the free market price of $1.54.

Inco's problems are the problems of the international industry writ large. The cutbacks in Canada have been matched by difficulties in Australia, which have shown up in the latest figures from Western Mining Corporation and Metals Exploration.

In the 28 weeks to January, Western Mining's nickel sales were 21 per cent. down on the same period of 1976-77 and the prices received were lower as well. The group is fortunate in its investments in gold and aluminium, revenue from which will come through more strongly in the second half.

But for the first half there was a sharp drop in net profits to A$5.8m. (£3.4m.) from A$9.5m. in the comparable period of the year before. For shareholders the result has been a halving of the interim dividend to 1.5 cents (0.88p). A total of 6 cents was paid for 1976-77.

Metals Exploration is a partner with Freeport Minerals of the U.S. at the Greenvale lateritic nickel venture in Queensland. Last year it deconsolidated its operating subsidiary at the project to avoid distorting the parent's accounts.

It was just as well. The subsidiary lost $A6.92m. (£4.05m.) in the six months to December, against A$7.08m. in the first half of 1976-77. The parent managed a net profit of A$223,000 over the same period after having a loss of A$3,000 in the six months to December 1976. But there are no dividends.

With its technical problems and heavy debt, which was restructured last year, Greenvale's position is bleak although it is now selling enough nickel and cobalt to cover operating costs and minimum interest payments.

Freeport is doubtful whether it will ever make enough money from it to cover its investment. "It is not possible to determine whether in the longer term Freeport will be able to recover all its costs," a spokesman said this week. Of course it all depends on what is meant by the longer term.

The general impression in the industry is that the nickel market is likely to remain sluggish at least until 1980. After that projections become extremely tentative, but Amax of the U.S., a relative newcomer to the industry, has sufficient faith to sign a contract for a joint venture developing a deposit in northern New Caledonia.

The project could cost more than $500m. (£258.7m.). It will be run by Cofremmi, which is presently 90 per cent. owned by Bureau de Recherches Geologiques et Minieres, a French Government agency.

For the venture, this 90 per cent. stake will be held by a new company in which Amax will have 49 per cent. and BRGM 5 per cent. This suggests that there will be a search for another investor of the same optimism Amax is showing.

Nickel's twin in depression is copper. The lower earnings from Lornex, the Canadian producer, announced last month, have now been reflected in figures from Rio Algom whose stake is 62.7 per cent.

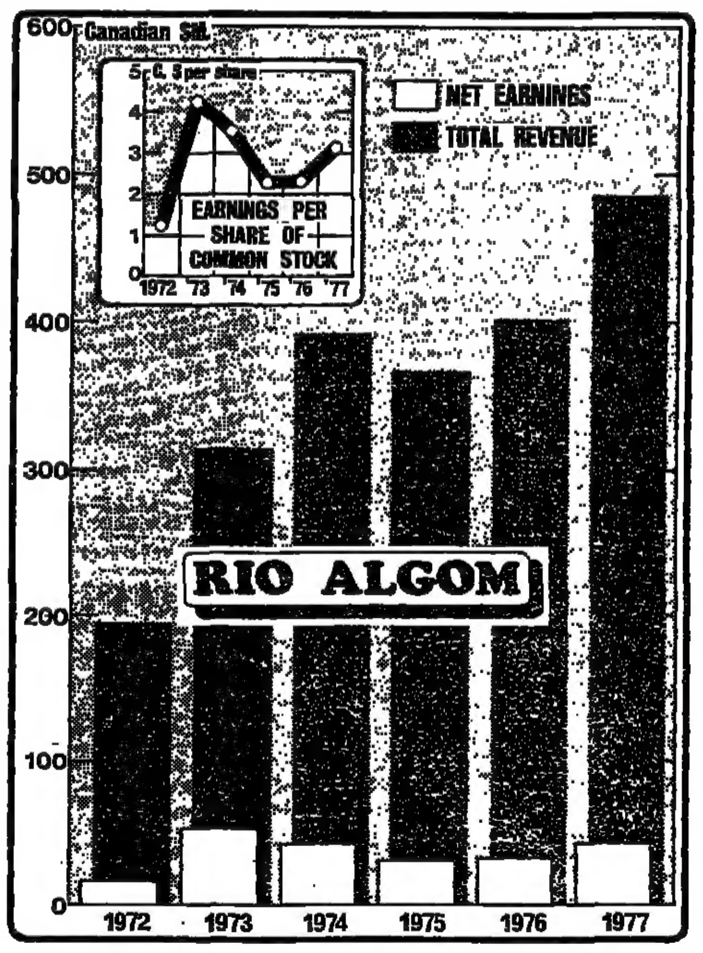
Rio Algom is a Canadian unit of Rio Tinto-Zinc of London and best known as a uranium producer. Last year its net earnings were C$42.8m. (£19.9m.), a significant rise from its 1976 income of C$31.6m. The earnings would have been higher but for Lornex, because revenue increased from uranium after the re-negotiation of contract prices and even steel operations produced more revenue.

Uranium production is being increased at Rio Algom's Elliot Lake properties to meet contractual commitments, but its interest in nuclear fuels stretches to Namibia (South West Africa) because of a 10 per cent. stake in Rossing Uranium, where work continues on building up towards full capacity.

In the markets

The bullion price has remained above $180 an ounce, closing yesterday at $183.875, helped by the fluctuations of the dollar and the latest International Monetary Fund auction where the price obtained was $181.95. But gold shares have been relatively subdued, although the undertone has been firm.

Moves towards an internal settlement in Rhodesia have not provoked much interest in Rhodesians. Tins have been inactive, apart from Saint Piran, while Australians have been quiet.



MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1977/8 High	1977/8 Low	
Ind. Ord. Index	436.2	— 8.6	549.2	357.6	Contd. fears about o'seas earnings
Beecham	583	—30	693	372	General trend
B.P.	724	—30	966	720	Bearish view of Sohio associate
Bury and Masco	93	+13	98	44	Bid from Scapa Group
Davenports' Brewery	100	+11	102	40	Revived bid speculation
EMI	144	—21	254	141	Poor int. figs & bearish forecast
Fisons	360	+10	397	280	Ahead of Monday's results
ICI	331	— 8	446	325	General trend
Int. Pacific Securities	136	+ 9	145	97	Unitisation plans
Jamaica Sugar	18	+ 8½	25	9	Compensation hopes
Kenning Motor	65½	— 5½	84	49	Profits warning
Knott Mill	20½	+ 4½	21	5	Speculative demand in thin market
Lilley (F.J.C.)	61	—16	89	34	Persistent small selling
Mills and Allen Intl.	155	+10	158	25	Excellent first-half profits
Prop. Inv. and Finance	102	+15	105	40	Castlemere Props. projected bid
Regional Props.	85	+10	93	30	Friends Provident buys stake
Sedgwick Forbes	345	+25	394	225	Excellent annual figures
Thomson Organisation	157	—33	255	122	North Sea benefits downgraded
Turner and Newall	181	—15	252	130	In front of and after results
Vantona	109	— 9	132	77	Profits standstill

U.K. INDICES

Average week to	March 3	Feb. 24	Feb. 17
FINANCIAL TIMES			
Govt. Secs.	74.41	74.85	74.61
Fixed interest	77.42	77.73	77.57
Indust. Ord.	439.7	450.4	459.4
Gold Mines	161.2	158.7	155.8
Dealings mkd.	4,797	4,919	5,674
FT ACTUARIES			
Capital Gds.	190.50	196.33	200.81
Consumer (Durable)	175.22	180.23	184.37
Cons. (Non-Durable)	180.75	185.11	188.67
Ind. Group	187.29	192.35	196.73
500-Share	206.91	212.51	217.00
Financial Gu.	155.30	157.89	160.91
All-Share	192.30	197.05	200.99
Red. Debs.	60.73	61.12	61.40

PARIS

DAVID CURRY

THE MOST active issue on the Paris Bourse over the past few months has been the ticket distribution in the underground car park. Above ground, despite flurries around a small number of shares, bonds and gold market, activity has been noticeably slack. The main reason for this is the general election due in eight days' time, or, to get French priorities right, one day after the crucial France-Wales Rugby match at Cardiff Arms Park which will decide whether France is to repeat the grand slam.

But the election is not the only reason, and it is as well to be clear that it will take more than a government victory for a fortnight's time, to breathe new life into the Bourse, even though that would certainly help.

The first problem is that, even if the government wins, a period of severe tension on the industrial relations front is expected. It is sometimes said that French elections take place in three rounds: the first which is a referendum, the second which is the winner-takes-all run off, and the third in which the trades unions decide whether they like the result.

A conservative victory following upon an almost certain left-wing popular majority in the first round of voting would endow this protest with a certain spurious legitimacy. But even without such a wave of protest there are serious doubts as to whether a conservative government could stick to its austerity programme.

In particular, an acceleration of purchasing power (demanded by the Gaullists), a deliberate effort to push up the lowest salaries (already been promised by the centrists to try to counter the Left's spectacular promise to raise the minimum wage by 37 per cent. overnight) and continued sharp restrictions on price rises can all be expected from a new Giscardien government.

Leaving aside the rather vague presidential plans for company reform, the prospect is one of very poor profitability for French enterprises. The leading private company in France, Saint-Gobain-Pont-a-Mousson, reported group results last month with the acid comment that it was making half of its sales (of Frs.31bn. or £3.37bn.) in France, a quarter of its cash-flow and only 5 per cent. of its profits here. There are also certain structural problems hurting the Bourse and the main one of these is the difference in tax treatment between shares and bonds.

For the French Bourse is dominated by fixed interest issues. The rights issue is rare, and the convertible hardly more common. Last year, for example, Frs.51bn. was raised on the fixed interest market and less than Frs.10bn. in shares. As for transactions, in 1977 (which got off to a bad start with the landslide victories for the Left at the March local elections) the global amount was 12.5 per cent. down at Frs.48.16bn. while shares transactions were 18.2 per cent. lower on top of their already groggy decline of 14.5 per cent. the previous year. Again, last year share dealings represented barely more than 45 per cent. of total transactions. What irritates the Bourse is that the tax structure favours bonds over shares.

The Government's own financial needs lead it to attach useful tax incentives to bond-holding, while the *bete-noire* of the Bourse in some sense is the possibility for the holders of substantial parcels of fixed interest securities to separate this income completely from their normal revenue and pay a fixed-rate 25 per cent. tax on it, after deducting the first tax-free Frs.3,000 of income.

Shares earn a tax bonus of 50 per cent., and the Bourse has been knocking at the Finance Ministry's door for years seeking to match the German 100 per cent. bonus. But while the reception is invariably favourable the positive results are nil, as they will continue to be while wage control forms part of economic policy and general austerity is the order of the day.

A further factor in the Bourse's eyes, is that a considerable part of industrial investment is financed by specialised lending institutions in the public sector, which themselves raise money on the bond market under State guarantee. The Credit National falls into this category while a number of companies in particular sectors, notably steel, have their own joint money-raising arm operating on the fixed interest market. In other words, they act as intermediaries which make it unnecessary for concerns to approach the stock exchange directly for funds.

This is a gloomy recital, so it is only fair to add whatever silver lining can be detected. The first is the fact that since the war, during France's industrial growth, the property market has been a considerable consumer of savings. Now, with France fated to share the average growth rate of the industrial world, and her deficit in the housing field to some extent made up, there is some hope that the Bourse can attract money looking for long-term placement.

The second is that companies are now so over-indebted because of the traditional preference for raising money through debt that their capital structure is severely unbalanced and their own resources stand in need of replenishment. This gives the market hope that the bourse may assume more importance as a provider of risk capital.

Marchais and Mitterrand: stock questions.

But what about that General Election? The Bourse CAC index reached its low point on May 10 last year at 50.4. The first hope dawned with September's break-up of the Union of the Left, compromising the inevitability of a left wing election victory.

By year's end the index was at 59.9 and it has since moved erratically within small margins to begin March at 58.4. In February, with the attack on the franc contained, transactions were 19 per cent. up on January and more than 50 per cent. higher than in February 1977.

Some of the recovery is due to improving prices for "basic" shares like St.-Gobain, Radar, and Guyenne et Gascogne. The superstars have been the electronics, engineering and, above all, missile manufacturer, Matra whose strong profits and order books (foreign customers getting in before the left starts being too inquisitive) moved the price from Frs.500 to Frs.1,400 before it settled back to Frs.1,300.

Some of the "nationalisationables" have also found takers because of the attractive yields offered by rock-bottom prices. Paribas, the financial group, was yielding 13.5 per cent. at one point, enough to tempt institutional investors to take a gamble on the election result, or at worst, face a left wing Government in the virtuous position of having bought French.

Carrefour, Peugeot, Terrier, and Skis Rossignol, the last three with strong foreign earnings, have stood up well while the options market has been the liveliest part of the Stock Exchange.

The fixed interest primary markets have barely stayed alive over the past few weeks. Investors are keeping their powder dry and even State-backed issues don't tempt. Charbonnages de France's Frs.600m. (yield 11.17 per cent.) proved singularly non-combustible; Credit National's Frs.800m. (yield 11.25 per cent.) hung around inspiring neither interest nor charity; while over half of Credit Hotelier's Frs.850m. offering (11.36 per cent.) stayed in the hands of the banks.

Investors know that whoever wins the election the fat will have to come to the market. The present Government will need a good Frs.10bn. and the Socialist programme requires a loan of Frs.25bn.—both almost certainly indexed. Where small investors, in particular, have shown their paces have been the traditional flight into gold.

The belief in gold transcends social economic gloom, generation, and heredity. The favourite is the Frs.20 Napoleon gold coin, containing precisely 5.8 grammes of pure metal. As handy as a shilling piece, it is traded quickly, quietly and tax-free. At the peak of January's gold rush it reached Frs.300 (it is now higher) which gave it a premium of 80 per cent. over its gold contents. The half-Napoleon scored better—at Frs.226 it was selling at a premium of 170 per cent. over its gold contents.

The 1kg. gold ingot, influenced by higher international gold prices and by currency disturbance, moved from a 12-months' low of Frs.21,350 to tickle Frs.30,000.

Next to gold itself, gold-linked Gilts have been in demand. The 4½ per cent. 1973 linked to the Napoleon moved from a 12-months' low of Frs.610.90 to Frs.801 and is now around Frs.767. The 7 per cent. 1973 linked to the ingot, has ranged between Frs.2,700 and Frs.3,049 and now stands at Frs.2,810. Their close cousin, the Barre, 8.8 per cent. 1977, linked to the European unit of account, stands at Frs.112.50 which is close to its high of Frs.115.

FINANCE AND THE FAMILY

A licence and a lease

BY OUR LEGAL STAFF

I would like to let a small house to an elderly lady. but would want to avoid the transmission of the right to a tenancy to a relative who might come to live there. I have heard mention of a "licence to use." Would this be the answer?

You cannot give effect to an arrangement such as you propose without a serious risk that the Rent Act 1977 will apply, as the courts look at the substance of the transaction to determine whether it is a licence or a lease, and there is thus no certainty that a "licence" will not turn out to be a lease. The only effective ouster of the Rent Act in this case would be a letting at less than two-thirds of the rateable value of the premises (as at March 1965).

Registered rent and sharing

I refer to your reply under *Registered rent over payments* (December 24, 1977) in which you state that those who have entered into sharing *arrangements outside the Rent* Acts "cannot be required to pay more than the registered rent." It seems to me that *those who have entered into* sharing arrangements do not hold protected or statutory tenancies. S.20 of the 1968 Act *does not limit the amount* payable under such arrangements, would you say which Section of which Act does? *Also instead of saying that* the registered rent attaches to the flat, would it not be more correct to say that the registered rents applies in any protected tenancy of the flats by virtue of S.20 of the 1968 Rent Act?

We agree that our reference to rent limits in the case of shared accommodation was misleading, as shared accommodation is either outside the Rent Act or within the protection, but only as to security of tenure (Sections 101 and 102 of the Rent Act 1968, now Sections 21 and 22 of the Rent Act 1977). However we remain of the view that a registered rent attaches to the property and is thus effective *in rem*. Section 20 of the 1968 Act (Section 44 of the 1977 Act) provides that the registered rent is the rent limit: but Part IV of the 1968 Act (Sections 66-72 of the 1977 Act) shows that the registered rent is the rent "for the dwellinghouse," not for the tenancy or contract. Thus, as with the old register of furnished rents the physical entity of the demised premises becomes subject to the registered rent.

Sealed policies

It has been my understanding that whole life or endowment policies, or investment bonds written under seal by U.K. insurance companies are not considered to be U.K. assets, and so not liable to tax for even non-U.K. residents. Could you tell me the Inland Revenue and Probate Registry implications of this?

It is correct that there is a rule that a specialty debt is situated where the specialty (deed) is located when the debt is due. This is a curious survival from ecclesiastical law and may not be viewed with favour in modern circumstances, and there are dicta which are contrary to the rule *(for example, Rossano v. Manufacturers Life Insurance Company* (1963) 2 QB 352; Re Helbert Wagg and Co. (1956) Ch 323). Thus although the rule still appears to exist, it cannot be predicted with confidence that it will continue to apply. If applicable, the rule will have the effect you describe. So long as the seal is duly affixed (and is not solely for identification purposes) the principle may be invoked. The identity of the signatories may depend on the company's articles of association.

Mesne profits and a flat

I sued the tenants of a flat, and an *order* was made by consent, having agreed with the defendant that possession would be given up in nine *months. Mesne profits were* awarded to me up to the date of hearing and half my costs, but nothing was said about *the nine months when the* defendant remains in possession. Do you consider anything payable to me for *these nine months?*

The order itself would have to be construed in the light of all *its terms and of the relief* claimed in the action. If the order expressly provides for mesne profits up to a particular date and does not adjourn *for* further consideration any part of the claim, it is unlikely that anything can be read into the Order to enable further mesne profits to be obtained.

The time to wed

My future wife is in salaried employment and proposes to continue after we are married. She has no investment income and earns about £4,500 a year. *As I understand it, it would* not be advantageous tax-wise to marry before the end of this financial year. Thereafter, what *would be the most beneficial* month to produce the greatest tax saving?

You seem to have missed the *report of the Chancellor's spring* Budget speech in 1976 and the comments in the Financial Times, for your inquiry about the best month in which to get married in 1978-79 and your assumption that it would be financially advantageous to postpone your wedding beyond April 5, in any event, appear to be based on hte law as it was up to 1975-76. Under sections 36 and 52 of the Finance Act 1976, the taxation of a man and woman for the tax year in which *they marry is basically the same* as if they were still single, apart from the fact that the man's personal allowance is raised (according to *the PAYE month* in which the wedding takes place). The ten subsections of section 36 and the four subsections of section 52 are not easily paraphrased, within the scope of a brief answer, but none of the various modifications to the basic principle of treating them as still single appears to be of particular significance in your case.

You have not told us much about your own finances, but prima facie there is no reason to postpone your wedding to 1978-79, and it seems unlikely that it will pay to elect for separate taxation of your wife's earnings (for the tax year following the year in which you marry, et seq.).

A measure of damage

In October 1976 I bought a cottage that in respect of agents' particulars and solicitors' inquiries before contracts had the benefit of mains water. I recently approached the Water Board because of pressure problems and understand from them that the pipeline from the nearest farm to the cottage is, as far as they are concerned, a private supply. *My solicitor does not* consider I have a very strong case against anyone and suggests I should have the matter legalised and obtain a written agreement from the freeholders for passage of the pipe? Do you agree?

You would certainly be wise to obtain the appropriate consent or grant of an easement from the owner of the land through which the water passes. However, that does not preclude you from making a claim on your *vendor for misrepresentation*, if the documents to which you refer will, on scrutiny, support such a claim. Indeed the cost of obtaining such an easement is a useful measure of your damage.

Problems with a pension

I am 52 and have had several positions with various companies, as to which I have been unable to transfer pension *rights, with the result that I* shall now qualify at age 65 for only 13/20ths of the new Government scheme from next April. I should like to take out a private pension which will provide a lump sum to my wife should I not reach 65, a pension to begin earlier than 65 if circumstances demand it, the *amount payable to be inflation* proofed, and the pension to be a fixed sum, rather than dependent on the abilities of the insurance companies pension managers. What, please, do you suggest?

Your inquiry raises a question which affects many people who have taken up their present jobs in their late 40s or early 50s. In your case your pension will be based on 13 years' service and not 40 years. From your letter we understand that you are not in a company pension plan but merely look forward to what you will receive from the Castle Scheme which starts in April this year plus the state flat rate scheme.

If you are in a company plan then the best deal you could possibly do would be to go to your employer and either arrange to pay voluntary contributions or agree a salary *sacrifice deal whereby the sum* that you sacrifice from salary is paid into a special pension arrangement on your behalf. *Using this route you get 100* per cent. tax deductability on what in effect are your contributions and the money accumulated on your behalf earns investment income tax free.

If you are not currently in a company plan (but only going to be covered by the Castle Scheme) then this solution is not open to you. Your only practical route is to take out a self-employed retirement annuity. You cannot take out a self-employed retirement annuity if you are covered by a company plan even if the company plan is inadequate, unless you have freelance earnings in addition to your job and your salary in your job is fairly modest.

You can get a fixed pension although *we would expect a with* profit formula over a period of 13 years to give you a better buy. No insurance company *will guarantee to inflation proof.* The only way you can get a 100 per cent. guaranteed inflation proof pension is by working for the state, whether as a civil servant, local government employee, NHS employee etc.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as No legal responsibility can be possible.

INSURANCE

The price of law reform

BY JOHN PHILIP

WHEN YOU take your car in for service or repair, even now you may well be asked to sign some kind of authorisation form before the work is done which somewhere contains a clause absolving the motor trader from loss or damage. You may or may not see a notice in the o ffice o rentrance warning that all cars are accepted serviced and repaired only at customers' risk. The account you get when the work is done may contain a disclaimer of defective workmanship—that the repairer is not responsible for failure to do what you have paid him to do. In the month since the Unfair Contract Terms Act came into operation apparently little has happened either in the motor *repair field or elsewhere* to suggest to anyone that the Act has effected a fundamental change in the law.

The new liabilities are civil liabilities. Behind most of the reailers repairers and suppliers services stand insurers, companies and Lloyds', who provide protection against legal liability claims, in just the same way as they provide each one of us in our personal capacity as householders, motorists and boat owners with such legal liability protection. So the changes brought about by the Act are inevitably going to bring more of us into contact with insurance claims departments.

The Unfair Contract Terms Act makes two basic innovations, in the law of negligence and as regards breach of contract.

It is no longer open to anyone to disclaim liability for death or bodily injury, though disclaimers for loss of or damage to property may still be valid and operative, provided they stand up in the light of the reasonability test imposed by the Act and ultimately, in the event of dispute, to be determined in the Courts.

Thus, for example, if you go into a lift in a multi-storage garage, a disclaimer asserting that the proprietors are not liable for any injury or damage to persons or property therein, howsoever caused, cannot prevent your claiming for injury sustained while using that lift, but might still perhaps be an effective bar to your claiming for damage to the goods you are carrying with you.

But I must emphasise that the Act goes no further than the abolition of the disclaimer *as a barrier to personal injury* claims—it does not give you, the injured person, the absolute right to compensation from the alleged wrongdoer. *It is still* necessary for you to show by the general law of negligence and the particular rules applicable to your claim that the alleged wrongdoer is in fact legally liable to pay. And by the same reasoning, if your claim is for damage to property the decision that a disclaimer is unreasonable only removes one hurdle from your path—you still have to prove legal fault to get your compensation.

If you are unfortunate enough to have to make a claim: and remember also that insurers standing behind all these potential or alleged wrongdoers are not only fully entitled, but since they are custodians of Policyholders' funds, obliged to avail themselves of all appropriate legal defences to liability claims made against their policyholders.

Sometime later this month and probably before Easter, *lawyers and insurers* expect publication of a report on civil liability and compensation for personal injury which has been prepared by a royal commission under the chairmanship of Lord Pearson. There is no doubt that *a number of different ways of reforming* our fault-liability-compensation system will be discussed in that report, and it reasonable to assume that th will be recommended a numb of changes, which in the comi months will be widely and times hotly debated before a parliamentary action is taken *implementation.*

One aspect that is absolut fundamental at all stages of coming argument is the cost change to the community, to and I. However compelling argument on moral or soc welfare grounds, the quest we must all ask at each sta clearly and loudly, is can we, premium paying policyholde as tax-payers, as the purchas of goods and services, can afford the cost of all or any the proposed changes?

Liability compensation d not derive from self-generat funds: it comes, in howe small amount, out of your poc and mine. To come back to Unfair Contract Terms Act— cost of knocking down the claimer barriers falls, of cour in the first place largely on shoulders of insurers writ commercial liability busin Thereafter it is reflected in increases of premium that th commercial policyholders obliged to pay for their cos But, the more significant a p those premium increases come *be of the operating costs* commercial enterprises the more certain it is that th costs have to be passed on to *and I, the ultimate consum* in the charges made for goods and services we purch

SALEROOM

ANTONY THORNCROFT

PRICES AT auction for modern British artists tend to reflect the health of the British economy. Yesterday collectors seemed to be optimistic and Christie's held a successful sale, totalling £299,265, with many artists setting new price records.

Agnew paid £18,000 for a portrait by Harold Gilman, just short of a record, while the £17,000 from Basket and Day for Robert Bevan's "Hay Carts" equalled his highest ever auction price. Perhaps the biggest surprise was the £16,000 paid for "The Little Flowers of the Field" by Sir George Claus The previous best for a Clau was £3,800.

Sir Stanley Spencer's "I menade of Women" went D'Offay for £13,000 and J Singer Sargent's "Study fo portrait of Graham Robertso was bought by Leggatt Broth for £10,000. Another rec was the £9,000 paid for "C wick Mall" by Lucien Pissar Two other records were £6,500 for a work by Her Lamb, and the £6,000 for "H vesting" by John Nash.

A miniature porta mahogany bureau made Queen Marie-Antoinette bought anonymously for £2 at Sotheby's. The desk, 10 inc tall and 16½ inches wide, *stamped with the mark of Ga* Meuble de la Reine, and da from about 1785.

"The basic reason why the Discount Houses are still in existence is that the U.K. authorities prefer things the way they are. They serve as a useful buffer between the Bank of England and the clearing banks," writes COLIN MILLHAM.

Reality hits the discount market

DISCOUNT HOUSES, judging from the recently published reports of some of them, enjoyed the most profitable year in their long history in 1977. This was thanks to the renewal of financial confidence, which led to a great resurgence of business in their traditional markets.

They remain something of a mystery outside the City of London, *however.*

Those who realise that the discount houses form an integral part of the banking *system — and are essential for* the control of the money supply—may still be puzzled by their exact purpose. An air of mystique has been deliberately fostered by the houses over the years.

Discount houses are in the business of borrowing other people's surplus money and investing it in Government funds and other low-risk securities.

They form a critical part of the money market in London, but that alone is not justification for their existence. There is no reason why the Bank of England and the commercial *banks could not work together* to carry out this important function, as in other financial centres around the world.

In fact if the houses had not been operating as brokers of trade bills from the early part of the 19th-century, before the present banking system *fully* evolved, it is doubtful whether they would have come into being. The houses have grown up with the modern banking system, and have evolved as the system has developed.

The basic reason why the houses are still in existence is that the U.K. authorities prefer things the way they are. They serve as a useful buffer between the Bank of England and the clearing banks.

Bank of England Minimum Lending Rate is the guide to all other domestic interest rates. The price paid by industry for loans, and the cost of a mortgage to buy a house will sooner or later be influenced by the level of Minimum Lending Rate (MLR). The Bank of England offers Treasury bills for sale *each week to raise part of the* Government's revenue, and the average price paid for these bills is normally used to calculate MLR by a fixed formula.

The houses underwrite the Treasury bill tender each week. No matter how low the demand may be for Treasury bills the houses have an obligation to buy them all. In other words if £300m. worth of bills are offered the houses must apply for at least that number. As the principal tenderers for bills the houses are the major single group responsible for fixing MLR, but the Bank of England must be satisfied that any change, should it occur, is in line with its own policy at the time.

A developed banking system requires a method of smoothing out daily fluctuations in the supply of money. Providing a ready market for any surplus of funds is another major task of the houses, and they do it with total security. The 11 discount houses are the only organisations to enjoy lender of last resort facilities at the Bank of England. This means that if there is a shortage of money in the system the authorities will help the houses to cover their obligations by buying their investments, such as Treasury *bills*, or by lending money direct.

Under Bank of England rules governing Competition and Credit Control, banks in London must keep at least 12½ per cent. of their deposits in the form of reserve assets. This strengthens the position of the discount houses, since their market could also aptly be named the reserve asset market.

Treasury bills, various other bills and Government stocks with less than one year to maturity are reserve assets, which the houses both buy and sell. Their main strength however is that under the 1971 rules on credit control, money lent at call to the discount houses also became a reserve asset. This money, which is repayable on demand, represents about 60 per cent. of the banks' total reserve assets.

Banks *are not the only* source of trade to the houses. Large companies and other organisations outside the banking sector are also potential customers. Several houses have tapped this market with considerabl success, and would be glad to hear from anyone with large amounts of cash who feels

Ivan Smith, managing director of Alexanders Discount House and chairman of the London Discount Market Association.

that leaving it on deposit at the local bank is not the best way of making the maximum use of resources.

Money invested through the market can be instantly turned back into cash, and this instant liquidity can be a major attraction to commercial customers.

Discount houses will pay interest on money lent to them on a day to day basis or for various fixed periods. Alternatively they will sell customers bills, certificates of deposit, and gilt-edged stock.

These holdings form the houses' book, and the size and length of the book depends on the amount of confidence the houses have in future economic events. When it is high they will increase the length of their books by buying gilt-edged stock with maturity dates of up to five years.

In times of financial crisis they will get out of gilts and concentrate their holdings in bills. This is what happened in July 1973 when some houses were left virtually bankrupt by a sharp rise in interest rates.

It is one thing to hold bills which mature in three months, but quite another to be heavily involved *in investments which* will not mature for several years, and can only be sold back to the Government broker at a *massive capital loss if interest* rates go through the roof.

The rise in MLR to the record level of 15 per cent. in October 1976 did not have the same effect, however. In fact it was the root cause of the houses' recent good fortune. The houses were not holding gilts for obvious reasons, but were encouraged to reinvest because within about a month confidence began to return on the prospect of a loan for Britain from the International Monetary Fund.

Over the following 12 months *MLR fell from 15 to 5 per cent.* allowing gilt-edged stock and bills to be bought and sold at a large profit.

Confidence was helped by the reduction in the Public Sector Borrowing Requirement, and the authorities' commitment to firm monetary targets. This was reinforced by the fact that sterling was allowed to rise to stem the flow of speculative capital into the country rather than allow the money supply to get out of control.

However, the latest money supply figures have given rise to fresh concern, leading to nervous conditions in the money market, and a rise in interest rates.

Capital profits have disappeared and discount houses have become much more concerned at the margin between the average cost of money and the yield on investments. This is known as the running profit, and it had been under some strain in the early part of the year, but has improved recently, partly because of action taken by the houses to improve margins by pushing up the yield on bills, and partly because nervousness in the market has concentrated lending in the very short periods where the houses operate.

About a month ago it was suggested that the Bank of England was looking at an alternative method of calculating MLR; but present feeling in the market is that this idea has been shelved.

Fears about "corset" restric*tions to limit bank lending have* actually helped the discount houses, as banks have tried to build up their monetary base, *to give window dressing to their* monthly figures.

They have sought to increase eligible liabilities, while at the same time preserving ratios on reserve assets. This has been done by lending massive amounts to the discount houses on the third Wednesday of every month when the banks calculate their monthly figures. It has led to large differentials between interest rates in the discount market and interbank market. This is a crazy situation and only exaggerates the problem, possibly making reimposition of the "corset" more likely.

The profit *figures published* by discount houses so far this year have been at record levels, but their performance has varied considerably.

In favourable conditions a relatively small staff at a discount house can produce quite exceptional profits, as *Alexanders Discount did* last year. At the same time a much larger staff involved in money broking cannot hope to achieve such figures, but because the nature of their business is much less volatile, can act as a useful cushion against the bad years.

Alexanders, which is purely a discount house and has never diversified, produced twice as much profit last year as Gillett Brothers, which has a large broking subsidiary and a fund management section. Gillett has a much smaller discount market operation than Alexanders, but produced nearly twice as much profit in 1976, thanks to contributions from broking.

Other houses fall between these two philosophies and it will be interesting to see how they all fare, although it is hard *to imagine any house exceeding* Union Discount's disclosed profit of £6.1m.

Gerrard and National is *Union's nearest rival*, but comparisons are made difficult by different accounting year ends, and one very good month in the gilt-edged market can turn up in 1976-77 for one house and 1977-78 for another.

Over a period of years it balances out however, and recent performance suggests that the future may remain bright for pure discount market operations—even though this year has got off to a shaky start—and there is every prospect a rise in interest rates at so time.

In order to survive in vola markets the houses have b forced to come to terms with fact that the performance their *staff* can make or br them.

They are not there to make easy living in a soft market a longer. Volatile conditions h produced some highly skil operators in the disco market, who are expert at m ing profits as jobbers, movi quickly in and out of mark and making sure they are left holding the baby.

There is no way that they make as much profit as last ye but their new attitude tow themselves, and the role th play in the financial world encouragement for the futur

ADVERTISEMENT

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Lawson Securities Limited, the Edinburgh-based unit trust managers, are currently advising existing Lawson Unitholders to commit further funds now while markets are weak.

Investors are often advised to buy units when markets are booming and over-valued. In contrast, Lawson are advising their 11,000 clients to invest now into weak markets. The F.T. index has fallen 100 points in 5 months: the Dow Jones index has fallen 250 points in 13 months.

Managing Director Freddy Lawson can justify this advice on past experience. Those investors who followed his judgment in late 1974 and invested a total of £1 million near the *bottom of the worst bear market on record now have sub*stantial profits on their investments.

The case was stated over 70 years ago by Charles Dow, the founder of the Dow Jones Index:—

"There is always a disposition in people's minds that existing conditions will be permanent. While the market is down and low it is hard to make people believe that this is a prelude to a period of activity and advance. When prices are up and the country is prosperous it is always said that, while preceding booms have not lasted, there are circumstances connected with this one which make it *unlike its predecessors and give an assurance* of permanency."

Today, the market is down and activity is low but *sentiment can change very rapidly and timing is often more* important than Stock Selection, which is why Lawson securities advise investment *now* while prices are relatively cheap.

Until 17th March, 1978, units in any of the five Lawson Funds are on offer to existing holders at a discount of £10 or 1% (whichever is greater) on deals over £400. Current prices and yields are shown on Page 21.

If you are interested in unit trusts, you would do well to write to Mr. Lawson at Lawson Securities Limited, 63 George Street, Edinburgh EH2 2JG (Tel. 031-226 3911) for further information.

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The Income Portfolio was launched in October last year and its aim is to provide a yield 1% higher than the F.T. Actuaries High Coupon Short Dated Stocks Index. At this time the yield on the latter is 10.06%. At the same time we seek to take full advantage of the inherent trend to maturity available in short dated stocks.

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هكذا من الأصل

YOUR SAVINGS AND INVESTMENTS

The cost of flexibility

BY ERIC SHORT

[A]RE YOU looking for a safe, steady, regular [s]avings plan that provides a decent return on [y]our money, with the added attraction of tax [r]elief on your contributions? Then a conven[ti]onal with-profits endowment assurance may [m]eet your needs. It is a product which has [b]een tried and approved by generations of [co]nservative investors.

But traditional life assurance has two [d]rawbacks. The first is that it is for long-term [s]avings only. You have to save regularly every [m]onth for at least 10 years, if you want tax [r]elief on your contributions. Secondly, it is [i]nflexible in that you have to decide at outset [w]hen you want your money. If you cash-in [b]efore the end of the chosen period, you will [b]e penalised, especially in the early years.

Unit-linked life assurance plans do not [s]uffer from this inflexibility, and their competi[ti]on has forced many life companies to market [fl]exible endowment contracts, in order to meet [th]e needs of those investors who are not [s]aving for a specific event, but may want cash [a]t any time.

The flexible contract is quite straight[f]orward in concept. It is either a whole-life [p]olicy or an endowment maturing at age 65, [p]roviding guaranteed cash-in values from the [1]0th policy anniversary onwards. The bonus [p]aid at the time of cash-in is based on this [g]uaranteed sum. In effect, the life company [i]s guaranteeing surrender values—something [t]hat it will not do on ordinary fixed-term [p]olicies.

The flexible endowment has been the [a]nswer to the life assurance salesman's prayer. [H]ow many investors really know now that they [w]ill want money in 25 years time? Having [t]o decide on the investment period at outset [h]andicaps many a sale. The field staff of [i]nsurance brokers have long wanted a contract [w]ith life assurance guarantees, from which the [i]nvestor can take his money whenever he [l]ikes. As for the 10 year start, that is simply [a] barrier imposed by the Revenue. Attempts [t]o cash in earlier will incur tax penalties.

Of course, life companies marketing such [p]lans find them to be best sellers. But some [l]ife companies refuse to market such plans, [d]espite pressure from their field staff. The [a]ctuarial profession is divided over their [m]erits. The guarantees in a traditional life [c]ontract require that assets should match [l]iabilities, and given that there is assets growth, [t]hat won't happen all the way through a con[t]ract. Normally, the assets held match the [l]iabilities at maturity. With a flexible endow[m]ent, there should be such matching when[e]ver the guarantee might be enforced, and this [i]s impossible. An inability to match assets [a]nd liabilities through most of the life of a [c]ontract is the basic reason why surrender values on normal business are pitched low.

The actuary can get around this problem first by calculating the guaranteed sum on very conservative forecasts regarding investment returns. Then he can operate a different bonus rate from that offered on main-line with-profits business, which effectively penalises the early cash-ins. But still some life company actuaries will have nothing to do with flexible endowment.

If you do want flexibility with guarantees, then you have to be prepared to pay for them: and this is where flexible endowment is being wrongly sold.

In many cases the consumer is not told the price charged for flexibility. But discovering it is a simple exercise in comparison. The table shows the estimated difference between a fixed-term endowment and a flexible contract cashed in at the end of the same period. Flexible endowments have not yet been on the scene for 10 years, so we cannot compare past values.

You need to ask yourself, on being offered one of these contracts, whether you need such flexibility, and whether you could do better by taking out a fixed-term contract, and putting the proceeds after its maturity into a building society. Get all the figures before making a decision.

Provident Mutual Life has entered the flexible market offering just this type of contract—a 10-year policy with the option to continue for a further 15 years, although for tax reasons the contract is written as a 25-year policy. For the first 10 years it is a normal with-profits contract. At the end of that period, the policy money and further premiums are effectively invested in a deposit account, and they can be cashed in at any time. Such a contract solves the actuary's problems regarding matching. But you may still lose out, if you compare your returns with a longer-term with-profits contract. Whether you do depends on interest rates available on deposits, which can at times be very much less than at the long end of the market.

Scottish Provident was the first life company to market flexible endowments, and next year will see the 10th anniversary of the first issue of these contracts. There will be a temptation for investors holding these plans to take the cash now it is available—we are all imbued with the bird-in-the-hand philosophy. But anyone so tempted should first check on whether they really need the money, whether they could do better by taking it out and reinvesting it, or whether leaving it in will see a faster roll-up. Flexible endowments impose investment decisions on investors that fixed-term contracts do not. They should make sure it is the correct decision.

COMPARISON OF PROJECTED BENEFITS ON FIXED TERM AND FLEXIBLE ENDOWMENTS

Company	10 years Fixed £	10 years Flexible £	10 years % Difference	15 years Fixed £	15 years Flexible £	15 years % Difference	20 years Fixed £	20 years Flexible £	20 years % Difference
[Fr]iends Provident	1,798	1,476	21.8	3,402	3,026	12.4	5,672	5,091	11.4
[Eq]uitable Life	1,828	1,733	5.5	3,370	3,278	2.8	5,504	5,343	3.0
[U].K. Provident	1,672	1,530	9.3	3,107	2,877	8.0	5,127	4,815	6.5
[Sc]ottish Amicable (a)	1,632	1,432	14.0	2,963	2,626	12.8	4,895	4,360	12.3
[Sc]ottish Provident (a)	1,634	1,493	9.4	3,007	2,784	8.0	4,960	4,634	7.0
[Pr]ovident Mutual	1,672	1,600	4.5	3,139	2,530	—	5,285	3,860	—

(a) Company will not quote estimated terminal bonus even though it pays one.

Investing in real assets

UNDER what circumstances do investors put their money into commodities? Is it when business activity is picking up, the price of raw materials is set to rise, and there are profits to be made upon a holding? Or is it when, with currencies and stock markets in disarray, "real" assets seem to offer a prospect of security denied to those who put their faith in their paper counterparts?

To go by the behaviour of gold in the recent past, as the value of the dollar tumbled, the latter arguments have recently been in the ascendant. Stories out of New York suggest that investors there, quite unnerved by the behaviour of their currency and of the Dow Jones average, are looking desperately for investments which command rather more confidence as a store of value. Commodity movements over the longer term, however, suggest that the big price rises come when world economies are really overheating, as in 1973-74. And the increases then were quite as much a function of panic buying as of precautionary hedging.

At the moment it looks highly unlikely that such a situation will be repeated—unless developed countries like West Germany and Japan respond to U.S. urging that they should expand their economies: and they are not showing any signs of doing that yet. However, the attractions of commodities as a store of value remain: and there is always the possibility that the development of a sudden natural shortage will send prices sharply higher—as happened with coffee prices following the failure of the Brazilian crop in 1976.

With commodities, however, it is necessary to bear in mind that it is quite as possible to make money on the way down as it is on the way up. Selling short, whether it be of the physical product, or of futures contracts, is much more readily practised: all well and good for those who are adepts in their particular markets, but it does mean that the uninitiated have to look out for declines quite as rapid as the price increases can be.

The uninitiated should in fact steer well clear of investment in the physical commodity, since, in the first place, they are going to need a lot of money—contracts are quoted in very large units—and in the second, they are going to need a very substantial back up in terms of liquidity, since they may be called upon by their broker to make good any losses exposed by that day's trading—whatever the date at which the contract may eventually be fulfilled. Anyone who wants exposure in a particular area would probably do best to limit it, initially at least, by buying or selling options: that way the full extent of the commitment can be allowed for from the outset. The arguments don't, of course, apply in the case of gold—where it's possible to buy sovereigns or krugerrands at a relatively small outlay.

For those who want to limit their risks it's obviously much more sensible to go in for a package investment, of the kind offered by dealers such as Commodity Analysis. Authorised U.K. unit trusts may not invest direct in commodities, under the provisions of the Prevention of Fraud (Investments) Act 1958—though there are offshore funds which do just that.

The authorised commodity unit trusts in the U.K. in fact invests in the shares of companies with a high exposure to the vagaries of raw material prices—plantation and mining companies, for example. Those in our accompanying table have been selected for a five year record—there are several which have started up, and in some cases proved to be very successful, within the past three years, but we took the view that their record was still too short to give a decisive indication of the quality of the management. As the table indicates, the greater the exposure to any one sector—as in the case of Britannia Gold and General—the greater the risks, and the greater, likewise, the rewards. By and large, though, the performance of commodity trusts has been surprisingly consistent—rather more so than other speciality trusts with an exposure to particular sectors of the market. They should form a constituent of every portfolio.

AUTHORISED U.K. COMMODITY TRUSTS

Trust	Price* p	Growth over 12 months %	Growth over 5 years %
Allied Metals, Minerals & Commods.	38.2	8.9	21.5
Arbuthnot Commod.	55	17.5	58
Britannia Commod.	70.6	10.2	38.5
Britannia Gold & Gen.	103.9	34.9	—16.4
Gartmore Commod.	135.5	5.4	1.7
Midland Drayton Commod.	60.6	17.2	50.9
S & P Commodity	67.4	11.6	31.4
Target Commodity	33.7	9.7	— 5.9

* Wednesday's prices

Performance figures from Money Management

A life for sale

"Poor Sam, the excitement of auctioning his life policy was too much for him."

IF YOU have been paying premiums on your traditional with-profits policy for a number of years, and now want to cash it in, what do you do? You can surrender it to the life company, and accept the surrender value it is prepared to pay you. That is well known. But did you know that you can also sell the policy to a third party, by way of auction? Probably not, yet auctions of life policies have taken place since 1843.

Foster and Cranfield, auctioneers situated in the City of London, hold twice-weekly auctions of life policies, and this week they made the news headlines by offering for sale a with-profits policy for a sum assured of £300,000. It was issued by the old London Assurance Company, now part of Sun Alliance and London Group and it already has bonuses of £185,622. It was sold for £120,000.

Policies sold by auction realise more than the surrender value, and Foster and Cranfield bases its fees on the excess achieved. Therefore it would pay investors wishing to cash-in their contracts to auction rather than surrender them. The policies are bought by private individuals with high tax rates or trustees who do not need income, for the sake of capital appreciation. Such buyers can assess the value of the policy on a different tax basis to that used by life companies. The purchaser can either continue paying premiums (though he will not be able to claim tax relief) or make the policy paid-up.

The largest policy ever sold by the firm was one with a sum assured of £500,000. But policies of this size are very much the exception. The firm does deal with policies with very modest sums assured. If the surrender value is at least £1,000, then it is worth considering.

Consumers squeeze CU

IF YOU are a motorist, you are perhaps immune to the fact that you have to pay more each year to insure your car. Or perhaps not. Perhaps you do not passively accept these increases as a natural consequence of rampant inflation. You may have taken active steps to keep the costs down, either by switching from comprehensive cover to third party fire and theft, or going shopping around the insurance companies to find the cheapest rate. Enough motorists are taking some sort of action to cause concern to the motor insurance companies.

This week Commercial Union and General Accident, the largest motor insurers in the U.K., both admitted to experiencing consumer pressure in the motor market, and having to take account of it in fixing rate increases.

These companies, with Royal Insurance (which also reported profit figures this week), all experienced heavier claims in the final quarter of last year. Why? Well, since the petrol companies have been reducing prices in face of severe competition, motorists have been making more use of their cars. When the Arabs put up oil prices in 1974, we left our cars in the garage. Cars in garages are not likely to be involved in accidents. But now the cars are coming out again, and not surprisingly, the number of accidents is rising.

This means higher premiums, but GA admitted this week that in imposing a 9 per cent. rise in February, it was well within its rate to take account of consumer reaction. Insurance companies don't like policyholders moving around, since it sends administration costs soaring. But since motorists can take their no claims bonuses with them when they change insurance companies, it is surprising that more of them don't shop around. We are now seeing a trickle of discount schemes for motor insurance—the RAC launched one this week.

Commercial Union admits that it will have to raise motor premiums this year, but it also says that the rise may not be enough to keep the account in balance, because of consumer reaction. It will be interesting to see what the rise will ultimately be, but it seems that companies are prepared to have motorists subsidised by other accounts in order to keep their policyholders. This may be good news for consumers in the short term. But in the long-term it cannot be healthy to have an account permanently in the red.

Working wives and the Revenue

THE TAXMAN, for his sins, must live with a series of legislative anachronisms: but none, surely, can be more anachronistic than the treatment he must mete out to the married woman. On the Inland Revenue's own statistics, published a couple of weeks ago, there are now more of such women working than not; yet it is an assumption built deep into our tax legislation that a married woman's income is that of her husband for tax purposes.

It's true that a married woman can opt to have her income taxed separately from that of her husband—but only if her husband agrees; and even then that option does not apply to the treatment of investment income. Anyone who wants to elect for such treatment—and it's not normally worth it financially unless the joint income of husband and wife, before reliefs and allowances, is over £10,421 a year—must make an election to do so (using form 14) not earlier than six months before the beginning of year of assessment concerned, and not later than 12 months after the end of that year. So if you want to make such an election for the tax year 1976-77, you had better get it done within the next five weeks.

A new leaflet out from the Inland Revenue, IR 13, *Taxation of Wife's Earnings*, gives a brief run down on the system of separate taxation, including some figures indicating the point at which it might become worthwhile in financial terms—no attempt being made to place a value on the lady's self-respect. With that leaflet have been published two more, *Income Tax and the Elderly* (IR 4), which gives an extremely useful run down of the more common questions presented to the taxman by those who have reached retirement age, and *The Taxation of Foreign Earnings and Foreign Pensions: Finance Act 1977* (IR 25 (1977)). All of them should be available from your local tax office, or HMSO.

[P]acific to [u]nitise

[IN]VESTMENT trust shareholders in the U.K. have had [so]me occasion, over the past [fe]w years, to believe that the [ch]oice of the world was against [th]em. It appears, however, that [th]ey have not been the only [on]es to feel the draft. Now the [di]rectors of International Pacific Securities, the investment trust run out of Hong Kong under Jardine Fleming's management, are recommending to shareholders proposals under which the company would effectively be unitised. The reasons are exactly those which have left International Pacific's counterparts in the U.K. so vulnerable to proposals to unitise: the fact that the shares have been selling at a big discount to the value of the underlying securities.

Grannybond and taxman's take

LAST WEEK's brief comment on the index-linked National Savings Certificates—the so-called "granny bonds"—produced a prompt reaction from both the Department for National Savings and a couple of other readers. Quite right too: we were at fault. What we failed to take into account is the fact that the amount by which the value of the certificate increases, to reflect changes in the Retail Price Index, is free of tax: so is the 4 per cent. bonus paid when the certificate reaches maturity after five years. So even if the rate of inflation dropped comfortably into single figures and stayed there, the likelihood is that any taxpayer it would do better to stay with the Retirement issue. And the higher the tax rate, of course, the greater the incentive to stay.

Even for those who are not paying tax, the returns on this investment aren't quite comparable with those available on, say, British Savings Bonds: for the tax free bonus has to be taken into the equation. But it doesn't make much sense for non-taxpayers to be invested in this issue, since essentially it protects the real value of capital rather than providing income. They should put their money into an investment account at the National Savings Bank instead. It may decline in value over the longer term: but it will give them something to live on in the meantime.

For higher rate taxpayers, too, the National Savings Bank has its attractions—the £70 interest allowed tax free on each ordinary account makes the 5 per cent. it offers gross very attractive indeed to anyone on a high marginal rate of tax. But it is necessary to be careful about the timing of deposits and withdrawals. Interest is paid for each complete calendar month that the money is invested, so ideally you need to put it in on the last day of one month, and take it out on the first day of another. Incidentally, interest is calculated once a year, at December 31; but if you close down your account earlier you will receive the interest due, on a pro-rata basis.

Mortgage protection

SHOULD you be buying your first house, your main concern is probably to keep your monthly repayments down to a minimum, to conform with your limited means. Therefore you have probably opted for the repayment method, and under these circumstances life companies really have had nothing to offer you except decreasing term assurance to pay off the outstanding mortgage should you die before it is paid off.

Now Sun Alliance and London Assurance has brought out a new contract—The Mortgage Protector—designed to offer much more to the first time homebuyer. It is designed not only for his immediate protection needs, but for his future savings requirements.

The plan is a combination of two contracts—a convertible with-profits whole life contract for 20 per cent. of the mortgage, with the balance covered by a level term assurance. After five years, the investor can exercise his option to switch to endowment assurance, thereby converting to a savings plan. This combination keeps premiums low at outset, but they would rise on conversion. With this plan, the amount paid on death rises with the passage of time, while the outstanding mortgage declines. Thus there would be a useful sum paid to the estate on death, in addition to the mortgage being repaid. When you move house and take out a bigger mortgage, you can adjust the plan without providing evidence of health, or losing its tax qualification.

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PROPERTY

King Canute strikes again

BY JOE RENNISON

THE MANDARINS of Whitehall who think they can prevent the tide from coming in are once again sitting on their thrones on the seashore. It is entirely predictable—indeed one would take a bet of any size — that their efforts will meet with the same kind of success as that of King Canute.

I refer, of course, to the moves being made by Department of the Environment Executives to persuade the building societies to limit the amount they are lending for fear of fuelling a price explosion. It is hardly to be believed that such folly could be contemplated after all that the country has been through over price rises and price falls, the shortage or the flood of mortgages, the scare talk about gazumping, etc., over the last six years. It surely must have occurred to those who are supposed to understand the workings of the property market that any move of this kind will have no effect and if anything have the opposite effect which it is intended to have.

It has been reiterated in this column from what seems to be time immemorial—but it must be said again—that house prices will always find their own level and that the efforts of politicians or money-lenders to alter the market forces are useless.

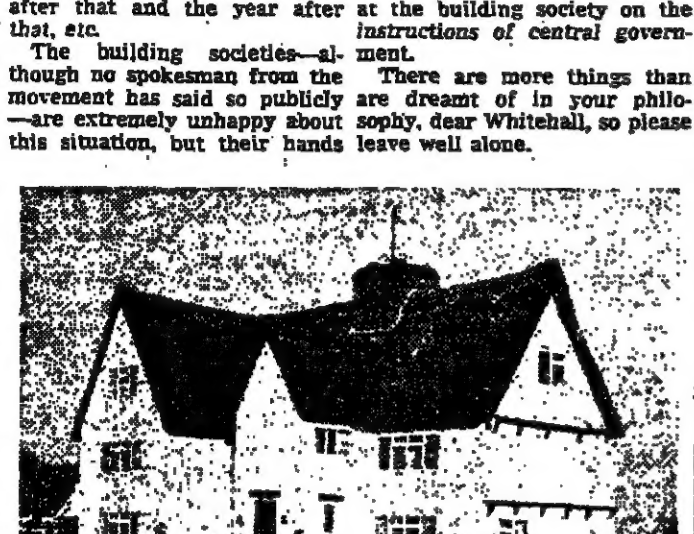
If the money is there and the supply of houses is there, and the people are willing and able to buy and/or to move then nothing will prevent them paying the price they expect to pay or that the seller wants to put on his property given the average market trends. To cut off the supply of money can at best simply delay for a very short while a rise in prices if that rise is to come.

Events since 1971 have shown this to be a self-evident truth. The boom in prices in 1972 was caused by the fact that houses had been undervalued. They shot up in price but did not go beyond what people can afford. They stood still for the next few years and in the upper brackets fell considerably because again during these years of gloom they reflected what people could afford. Prices will find their level in the same way in the coming year and the year after that and the year after that, etc.

The building societies—although no spokesman from the movement has said so publicly —are extremely unhappy about this situation, but their hands are tied. Since the societies put themselves into the hands of the Government when they begged for a loan in April, 1974, the Government have called the tune on lending policy. That this should happen at this time is unfortunate than for just the potential buyers. The housebuilders who were beginning to see a glimmer of revival now see their hopes dashed because of the limit on borrowing power. Their hopes of lifting the housebuilding figures out of the doldrums of the last four years will be dashed.

It is difficult to see the motives behind such a move but one can only presume that a possible autumn election has something to do with it. Maybe the present Government thinks that rapidly rising house prices would be bad for their image in the run-up to an election. But presumably they have not thought of the other side of the coin: they are going to look pretty silly among the electors when Mr. Average is turned down by the branch manager at the building society on the instructions of central government.

There are more things than are dreamt of in your philosophy, dear Whitehall, so please leave well alone.



Two 17th Century Suffolk farmhouses have recently come on the market through the Newmarket Office of Jackson-Stops and Staff.

The first is known as "The Old Farmhouse" and is situated in the village of Cheveley, about three miles south of Newmarket. It is listed as a Grade II building and has a number of interesting carved timber embellishments and large open fireplaces. The accommodation comprises — drawing room, study, dining room, kitchen, four bedrooms and two bathrooms, with full oil-fired central heating and double glazing. The attractively thatched and timbered house stands in landscaped grounds of about 1½ acres, with a heated swimming pool and outbuildings. Offers over £40,000 are being invited for the freehold. The second period modernised farmhouse is known as "Pettett's Farmhouse" (see picture) and stands on high ground with fine views of the surrounding Suffolk countryside, on the outskirts of the village of Great Bradley, about nine miles south of Newmarket. It has a Norfolk reed thatched roof, a wealth of exposed beams, and two fine inglenook fireplaces. The accommodation consists of reception hall, drawing room, dining room, kitchen, seven bedrooms and two bathrooms. Outside there is a double garage and well maintained grounds of about three-quarters of an acre. The asking price is £42,800.

Blocks of coral being sawn up for building the Hon. Colin Tennant's new house in a coconut grove running down from the beach at Mustique.

Mustique mystique

THE LEGAL JARGON of "to all to whom" these presents shall come, which heads The Mustique Company's land conveyance document is particularly appropriate for the tiny Caribbean island in the Northern Grenadines where Princess Margaret has a holiday home.

Because Mustique, 3 miles long and less than half that wide, 18 miles south of St. Vincent an independent state in association with the U.K. (of which it is a part), is going to promote its delights to a wider audience, in a limited manner, admittedly.

The island, bought by the Hon. Colin Tennant in 1958 (he gave the Princess some land as a wedding present), and improved, rather than developed with proper roads and services, is under new management. To put it at its simplest, new money has been brought in to form a fresh company, in which a consortium of two Venezuelans and a Canadian own 60 per cent., other directors including Tennant and the Hon. Milton Cato, Premier of St. Vincent. The new investors who make up the consortium, and who already have holiday homes on the island, are Hans Neumann, president of a Venezuelan conglomerate, Corimon, whose main products are paint and orange juice, Alberto Vollmer from a wealthy Venezuelan family whose business interests have been strong in sugar and rum, and, as chairman, John McClaren, who runs M. F. Holdings, a graphics company in Toronto.

Managing director is Dennis Gibbs, former administrator of Montserrat, an Englishman whom I met on St. Lucia in the nearby Windward Isles last year where he was also concerned with property. He insists that they are all aware of the importance of retaining the privacy of the past, although there are certain essentials that need to be attended to. "Narrow winding roads have to be graded to take out the bumps and jolts, a more ample supply of electricity is necessary, and the airstrip needs lengthening." (If you want to pilot in your own plane the tiny thatched hut airport will take light twins, or you can sail into Britannia Bay).

So what is it going to cost to buy into this idyllic spot? In 1969, as a result of the Mustique Ordinance, a 20-years agreement was enacted that exempts house-owners from all personal taxes and tariffs on the capital goods that are needed for building their homes.

However, that does not mean that anything is cheap in this 1,350 acres of long white sandy beaches, lush green pastures, palms, passion flowers and other tropical delights in an all the year round temperature of 75 to 85 degs. You can buy a few existing small villas with a limited amount of land at £30,000 or so, which are extremely good value. But plots in the privacy of the coconut groves (planted in 1969), running back from the beach, where Colin Tennant is having a new house built in blocks of gleaming white coral, will cost somewhat more than that for the land alone. While on remoter rocky headlands overlooking sea and wooded hills, where you can buy sites from 2-8 acres and so create a small plantation, the price will obviously work out at very much more by the time a building is on it.

Work on roads and infrastructure to accommodate the new venture have just begun.

JUNE FIELD

One more river . . .

IT IS ONE THING to own fishing rights on a river but quite another to own a whole section of a river—lock stock and barrel—and no pun intended. But such could be the case with the forthcoming sale of a large section of the River Crouch in Essex.

Just think what one can do with a river: childhood fantasies can become a reality. Splosh about in mud without anyone telling you to cut it out; play water-borne cops and robbers up and down the stream and eventually rescue the beautiful heroine; launch boats of your own making.

The major sections of the River Crouch, which lies midway between the River Blackwater and the Thames on the East coast of Essex, have been placed on the market for sale by private treaty. The Crouch is thought to be one of the only two tidal rivers in England, which are privately owned, the other being the Beaulieu River.

Included are the mill, fishing, shooting and mooring rights in respect of the sections which are for sale. These rights were originally granted to the Lords of the Manor Burnham in the 11th century, and the present owners are the successors in title.

The Crouch is a well-known sailing river with five boatyards, The Royal Burnham and Royal Corinthian Yachting Clubs and several sailing clubs on its banks. The main centre is Burnham on Crouch, which is less than 50 miles from London.

The total area for sale is about 9,800 acres, covering a distance of about seven miles from the upper reaches to the sea, a substantial part of which is in hand.

In addition to the river, the sale will also include the freehold of 3/3a High Street, Burnham on Crouch, comprising two vacant ground-floor shops with a flat above, a landing stage freehold and leasehold oyster layings, pit and purification unit in the adjoining Roach. Also included is a 37-foot boat of about 4½ tons with 60 hp BMC diesel engine, 10-foot tender with outboard motor and all oyster stock equipment as laid.

The price quoted for the assets of the Burnham River Crouch is £200,000. Joint sole Agents acting in the sale are Pepper, Angliss and Yarwood and Strutt and Parker's Lewes Management Division.

The selling has been divided into three phases, and the promotion is due to get off the ground in Europe next month handled by Sotheby Parke Bernet International Realty Corporation, 980 Madison Avenue, New York. (Various formalities have to be gone through before the property can be marketed in America.)

BRIDGE

E. P. C. COTTER

A PAPERBACK edition of that masterpiece of fantasy Right Through The Pack (Allen and Unwin £2.75) by Robert Darvas and Norman de V. Hart has recently been published. If you do not possess a copy, I urge you to get this new edition, even if you read the book when it was originally published in the early postwar years. The fifty-two hands to which you are introduced are so ingenious and fascinating that you should be able to refer to them from time to time for inspiration.

Let us start with the Tale of the Five of Clubs:

N.
♠ J 5
♡ A Q 3
◇ A 6 5 3
♣ 9 8 5

W.
♠ 8 5 3
♡ 9 7 4 2
◇ 10 8 7 2
♣ 6 3

E.
♠ K 10 9 7
♡ K 10 8
◇ 4
♣ K Q J 10 7

S.
♠ A Q 6 4 2
♡ J 6 5
◇ K Q J 9
♣ A 4 2

East dealt at a love score, and after three passes North opened the bidding with one diamond. East doubled, and South redoubled. East took out the redouble into two clubs, South bid two no trumps, and North raised to three no trumps. This was doubled by East, and all passed.

West started off with the six of clubs, dummy played the eight, and South took East's ten with the Ace. He then crossed to the Ace of diamonds on the table, and led ME, the five of clubs. Yes, at trick three he started an endplay against his right hand opponent.

When East happily ran off his four club winners, the declarer discarded two diamonds from the table and the spade two and the heart five from his own hand. Now East had to lead a major suit, and he chose the seven of spades. Winning with the Queen, South crossed to dummy's Ace of hearts, setting up East's King—the Vienna Coup. He returned to hand with a diamond to cash three tricks in the suit. The last diamond effectively squeezed East, who had either to throw his heart King and set up South's Knave, or unguard his spade King and surrender the last two tricks to dummy—an elegant combination of early throw-in and final squeeze.

We turn to the Tale of the Seven of Hearts:

N.
♠ J 10 3
♡ K J 10 8
◇ 9 6 5 4 2
♣ 6

W.
♠ 8 4
♡ 9 3
◇ 8 7
♣ A 10 9 8 7 5 3 2

E.
♠ Q 7 6 5
♡ A 7 5 2
◇ A K 10
♣ 4 3

S.
♠ A K 9 2
♡ Q 6 4
◇ Q J 3
♣ K Q J

At game all, with North-South 30 below, East bid one (weak) no trump. South doubled, West rescued into two clubs, and North said two diamonds. With his eye on the rubber, South said two no trumps, and all passed.

West led the club ten, which was won by the King, and the King of spades was cashed. This was followed by the heart Queen and a low heart to the ten. East holding off each time. Now the Knave and ten of spades were cashed, which East refused to cover, and a diamond was led to East's King, and the Ace of hearts was made.

At this point West had five clubs to the Ace, dummy had the heart King and four diamonds, declarer had the Ace of spades and the Queen, Knave in each minor suit. East who had the spade Queen, the seven of hearts, Ace, ten of diamonds, and the four of clubs, wondered what to do. Then he led ME the seven of hearts. That's a nice gift, said South, but suddenly he realised that he must throw the spade Ace. Oh well, said South, exchange is no robbery. Dummy now had to lead a diamond. East took his Ace, and cashed the spade Queen, which was now good. The unhappy declarer found that he had no discard that was not fatal.

A progressive squeeze against the declarer is indeed a rarity.

CHESS

LEONARD BARDEN

WORLD CHAMPION Anatoly Karpov will feel quietly content when he studies the results of the traditional annual tournament at Wijk aan Zee, Holland, held early last month. Allied to results at the Russian championship and Hastings, Wijk showed that none of Karpov's potential rivals in his own generation is yet a serious contender for the throne.

Similar matches in the past suggest that Karpov, who has proved himself an outstanding world champion, should beat Korchnoi with something to spare if he is in normal form and health. There is not just the evidence of their previous match in 1974, but the 20-year difference in age favouring the champion.

Only if the tensions and psychological manoeuvres affect Karpov more than Korchnoi, or if the match develops into a "timeless test" marathon where Karpov's light physique and low blood pressure could affect the issue, might there be real danger. And even in the event of defeat there is a scheduled return match when Korchnoi would be nearly 50.

Apart from the Botvinnik-Tal return in 1961 when the younger man participated a few months after an operation, outstanding world champions have only lost the title to players of their own generation (as when Alekhine beat Capablanca, who was four years older) or to significantly younger men.

On this score, Karpov can currently have few worries. Of potential rivals in his age group, Romanishin failed in the USSR championships while Sax could not maintain a fast start at Hastings. At Wijk four potential young rivals, Andersson, Mecking, Miles and Timman were outpaced by Korchnoi, aged 46, and Portisch, 40.

Portisch essentially won the first prize because of Korchnoi's loss to the tail-ender van der Sterren, but on his form at Wijk he would have been a more dangerous opponent than Spassky in the final candidates match.

Results were Portisch (Hungary) 8 out of 11, Korchnoi (stateless) 7½, Andersson (Sweden) 6½, Ree and Timman (Holland) 6, Panno (Argentina) 5½, Mecking (Brazil), Miles (England) and Najdorf (Argentina) 5, Sosonko (Holland) 4½, Kavalek (U.S.) 4, van der Sterren (Holland) 3.

Tony Miles lapsed from his fine performances of the second half of 1977. One reason for his setback in Wijk was that an old weakness, a limited opening repertoire, caught up with him; in the game below, Black is already lost after eight moves.

White: H. Mecking (Brazil). Black: A. J. Miles (England). Opening: Caro-Kann (Wijk aan Zee 1978).

1 P-K4, P-QB3; 2 P-Q4, P-Q4; 3 N-QB3, PxP; 4 NxP, N-Q2; 5 N-KB3 (an ancient trap worth a try against a naive opponent is 5 Q-K2, KN-B3?; 6 N-Q6 mate), KN-B3; 6 NxN ch, NxN; 7 N-K5, B-B4? (P-K3 or P-KN3 are more precise); 8 P-QB3, P-K3? (N-Q2!); 9 P-KN4, B-N3; 10 P-KR4, B-Q3 (Miles has got confused with a similar variation where White plays B-QB4 rather than P-QB3; now there is nothing better than playing P-KR5 when White wins the black pawn by NxB. 10 ... B-K5 fails to 11 P-B3, B-Q4; 12 P-QB4).

11 Q-K2, BxN; 12 PxB, Q-Q4; 13 R-R3, NxP (desperation, but if N-Q2; 14 P-R5, B-K5; 15 P-B3 wins the bishop); 14 QxN, ch; 15 R-K3, Q-QR4; 16 Q-N3; 17 P-R5, B-B4; 18 R-... 0-0; 19 B-K3, Q-Q1; 20 R-Q1, ... 21 BxQ, P-B3; 22 B-K3, P-K4; ... B-B4 ch, K-R1; 24 P-R6, PxP; ... BxKRP, KR-K1 and B... resigned—26 0-0-0 is an easy ...

POSITION No. 205

BLACK (12 men)

WHITE (11 men)

H. M. Lawrence v. J. Pearce, North Circular League 1977. Mr. Lawrence, an FT reader, had this position as White (to move) in a recent match, and brought off a fine win. How did the game end?

PROBLEM No. 205

BLACK (5 men)

WHITE (3 men)

White mates in three moves at latest, against any defence (by Sam Loyd).

Solutions, Page 12

The recent Wijk tournament was the 40th and perhaps the last in the annual series; worldwide steel recession is forcing cutbacks on the sponsor Hoogoven company. Even in an economised version, Wijk is said to cost £70,000 this year, nearly double the entire sponsored and unsponsored income of British chess from all sources.

Its disappearance would be serious but hardly fatal for chess in the Netherlands. The Royal Dutch Chess Federation receives subsidies of £50,000 from the Culture and Recreation Ministry (chess, like bridge and draughts, counts as "denksport" — sport of the mind) and around £45,000 from the national lottery. The annual IBM and Interpolis tournaments are sponsored at £40,000 and more each, while there are also sizeable bank grants for the national team and junior coaching.

In Britain, Lloyds Bank with its £10,000 programme including Nigel Short's match against ... City of London played last week, are the most generous sponsors of national chess.

Cook's tour

THE FIRST stamp album I ever possessed contained snippets of information, including the fact that, with the exception of Queen Victoria, Christopher Columbus had appeared on more stamps than anyone else. I hasten to add that this titbit dates my album and not me, and Columbus has long since been overtaken by others in the popularity stakes. Among explorers, however, he occupied the premier position but in the past decade he has been superseded by Captain Cook.

James Cook was born in November 1728 in Yorkshire, the son of a Scottish agricultural labourer who rose by his own efforts to become a farm bailiff. Young James had little formal education and at the age of 12 was apprenticed to a shopkeeper in Staithes but he soon quarrelled with his master and left to work for Messrs Walker of Whitby, ship-owners with whom he served for several years in the Newcastle and Baltic trade. In 1755, when war with France seemed imminent, he was mate aboard a vessel lying in the Thames, and forestalled the press-gang by volunteering for service in the Royal Navy.

Cook began his naval career as an able seaman aboard HMS "Eagle," commanded by a fellow Yorkshireman, Hugh Palliser. He took a keen interest in Cook and secured his appointment as master of the "Mercury" in 1759. In this ship Cook sailed to America and charted the St. Lawrence channel, enabling Wolfe to take Quebec by surprise. At the end of the Seven Years War, when Palliser became Governor of Newfoundland, Cook was appointed marine surveyor of the Newfoundland and Labrador coasts. His sailing directions for this area were published in 1766-8 and earned him a reputation for accuracy. This brought him to the attention of Joseph Banks and the Royal Society which was planning an expedition to the South Pacific to observe the transit of Venus.

STAMPS

JAMES MACKAY

On Palliser's recommendation Cook was appointed to command the expedition and its converted Whitby collier, HMS "Endeavour." The bicentenary of his appointment was marked by a British stamp depicting the "Endeavour" and Cook's signature.

On the homeward voyage the "Endeavour" circumnavigated New Zealand and Cook landed at Poverty Bay on October 6 1769. This scene was depicted on a New Zealand commemorative in 1906 and the 2 shilling definitive of 1935. The "Endeavour," Cook's portrait and chart of New Zealand appeared on the penny stamp of the Centennial series of 1940. In March 1770 the "Endeavour" sailed westward and 19 days later sighted New Holland. On April 29 the ship anchored in Botany Bay, an allusion to the rich harvest of botanical specimens gathered by Banks. Cook named this coast New South Wales and 18 years later a colony was established there. The centenary of this event was celebrated by New South Wales in 1888 by one of the world's first commemorative sets, and Captain Cook's portrait by Nathaniel Dance appeared on the 4d value. The entire painting was reproduced on the 7s. 6d. definitive of 1964 and the 75c stamp of the decimal series in 1966.

The bicentenary of Cook's first voyage produced a fine crop of stamps in 1969-70. New Zealand contributed a set of four stamps and a miniature sheet depicting charts, the ships and portraits of Cook, Banks and Dr. Daniel Solander, the ship's botanist. Australia produced a set of six stamps and a miniature sheet with a montage of motifs symbolising the progress of Cook's Pacific voyage. Sets of stamps honouring the first voyage were also issued by the Cook Islands, Norfolk Island and Samoa.

On his return to England in June 1771, Cook was promoted to commander and appointed to command a second Pacific expedition, aiming at the discovery of the North West Passage. This time he commanded two ships, the "Resolution" and "Adventure" and his brief was to discover the fabled Terra Australis or great southern continent. In January 1773 he crossed the Antarctic Circle—an event commemorated by a 35c stamp of Norfolk Island. He reached New Zealand in May and went on to discover the islands which now bear his name. His landing was depicted on the ½d. stamps issued in 1920 by Rarotonga. Aitutaki, Niue and Penrhyn and Cook himself was portrayed on the 1½d. stamps of the same date. In the unified series of the Cook Islands, 1932 the landing appeared on the ½d. and his portrait on the 1d. The Dance portrait was depicted on the 1d of the 1949 series, while the shilling stamp showed his statue at Admiralty Arch, London.

Early in 1774 Cook sailed again into the Antarctic and in June returned to Niue who's 1d. stamp of 1950 showed his landing at Upaahi Point. A set of four was issued in 1974 to mark the bicentenary of this event. In October he sailed the "Resolution" into Antarctica again and discovered South Georgia. Cook's portrait appears on the current 1p stamp of British Antarctic Territory and South Georgia issued three stamps in 1975 to mark the bicentenary of his discovery.

His return to England brought him promotion to post captain and command of a third expedition, aiming at the discovery of the North West Passage. During this voyage he discovered Hawaii ... Alaska and surveyed the western seaboard of America. The United States re-issued its 2c and 5c definitives in 1978 with a commemorative overprint and celebrated the bicentenary last month with two 13c stamps. The Alaska stamp shows the Dance portrait and the Hawaiian stamp reproduces John Webber's sketch of Cook's ships at "Owyhee." Stamps honouring the third voyage have also been released by Aitutaki, Niue, Norfolk Island and the Cook Islands.

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MOTORING

GOLF

Under the bonnet of the restyled Fiat 131 Supermirafiori is a twin overhead camshaft 1.6 litre engine. Top speed is around 100 m.p.h.

Geneva takes a view

STUART MARSHALL

U STILL see more British s on the roads of Switzerland n in most other foreign ntries. Our market share, ugh, has fallen over the years a tiny 3.6 per cent. compared h Germany's 46 per cent., the per cent. of France and Italy's per cent.

Japan has gained sales from traditionally value-conscious iss at the expense of the rest the world's motor industries. st year, Japan sold over 28,000 s, mainly Toyotas, compared h 18,000 in 1976, and just ped Italy into third place.

With a new baby Toyota, the rlet, and a new completely kinned version of the Datsun nny making their debut at neva, the Japanese are out consolidate their gains. The rlet is a three-door or five- r hatchback with a 1,000 cc gine and conventional rear ve layout. It looks uncom- nly like a Mazda 323, though is just a little smaller. iquely for a cheap Japanese r drive car, it has rack and ion steering, which promises make its handling precision ser to the European ideal.

The Starlet is to sell in itzerland with a choice of r-speed or five-speed gear ces at prices from £2,750 up- rds. It will reach Britain later s year, though only with four- ed transmission as a replacement for the outdated Toyota 1000 saloon. Toyota Great Britain's aim is to price the Starlet keenly enough to make it appeal to family motorists as an alternative to the Leyland Mini or Ford Fiesta.

The new Datsun Sunny has the mechanical mixture much as before though the styling is so European it could easily be taken for a scaled-down Volkswagen Passat. The Sunny will reach Britain in the summer to replace the current Sunny which has for long been our best-selling import.

Leyland is putting on a brave show at Geneva in a bid to win back some of its lost Swiss business. Highest hopes rest with the new Rover 3500 and 2600, the Princess and Allegro and, of course, the Mini. Two kinds of Mini are sold here — the familiar British one and the much smarter and costlier hatchback, designed by the Italian coachbuilder Bertone and made in the former Leyland Innocenti plant.

Moving up the range from the Minis, the Toyota Starlet, the Fiat 127 (still Europe's best selling car) and the Datsun Sunny, attention here is focussed on four cars. These are the Peugeot 305, Fiat 131 Mirafiori, Chrysler Horizon and Renault 18. The last of this four is the spectre at the feast; it is not at Geneva but will make its debut at Turin in two months' time along with Fiat's successor to the front-wheel-drive 128.

Other than the Fiat Mirafiori, all are classic transverse-engined, front-drive, four/five seaters though only the Chrysler is a hatchback. The move away from a tailgate in favour of a conventional boot appears to be gathering pace.

The traditionally laid-out Fiat 131 Mirafiori has been updated in style and refined mechically. Soon a diesel-engined version will be available. To accommodate the heavier and rougher power unit Fiat has made a number of small changes to the engine mountings and transmission. The result has been to make the existing petrol-engined Mirafioris exceptionally quiet and vibration-free. The Chrysler Horizon, which—like the larger Alpine —has been developed from the 10-year-old Simca 1100, is to be a truly world car. Chrysler's plants in mainland Europe, in Britain and in the U.S. will soon be producing nearly identical versions, mainly with five-door hatchback bodies.

Geneva Show has been full of rumours concerning an alleged plan for Leyland to assemble the new Renault 18 car in Britain, either as a stop-gap until the Marina/Allegro replacement is ready in the early 1980s or possibly as a substitute for the new car altogether.

Renault, the stories go, want to help Leyland because they would be horrified to see their Austin/Morris side sold off to an American or, even worse, Japanese car maker. And Leyland, it is said, though fearful of union reaction to the possible assembly of a foreign car at Cowley, would like to have something to sell that was less outdated than the Marina or Allegro.

The air is full of denials from both Leyland and Renault that any such deal is contemplated. There is, however, a kind of logic behind it and the rumours will persist.

Switzerland is a good market for light four-wheel-drive cross-country cars. After the Mini, the Land-Rover and Range Rover were Leyland's most popular products here last year. The Swiss are crying out for Range Rovers, because it remains the best four-wheel drive machine of its kind in the world by a considerable margin. It does have its imitators, among them two Swiss vehicles made by the small Montiverdi and Felber concerns. Neither of their products has the sheer panache of the Range Rover. If only they had supplies, Leyland could double or treble sales of the Range Rover here without difficulty. Its American rivals look lorry-like by comparison and its Japanese equivalents, though much cheaper, lack its spaciousness and performance. The Soviet Union has got into the act and is showing the Lada Niva that impressed me so much when I drove it in Russia recently.

Strangely enough, the Swiss, though afflicted with a rigorously enforced 62 mph motorway speed limit and a 50 mph limit elsewhere, continue to buy fast cars with enthusiasm. Suppliers of high-speed machinery like Ferrari, Alfa Romeo, Lancia and Jaguar have all increased sales significantly in the past year. What do the owners of the 86 Ferraris sold here last year do when the frustration of driving them at a third of their potential maximum speed becomes unendurable? There is always the German border to slip over for a pipe-opening blast on the Autobahn, I suppose.

An attractive feature of the Geneva Show is a display of cars from all over Europe that for one reason or another did not make it beyond the prototype stage. These "cars that might have been" include Rover's mid-engined P6BS sports coupe which was to have been assembled by Alvis in the mid-1960s but was killed off by the Leyland rationalisers because it could have hit sales of the Jaguar XK model. Ford (whose face-lifted Capri is making its first public appearance) also has a mid-engined prototype of nearly 20 years ago on display.

I once only suggested that the Society of Motor Manufacturers and Traders might consider such a display at its own show. Perhaps it could look at the idea again. Quite apart from the Rover P6BS, there must be plenty of skeletons in the cupboards of Birmingham, Solihull and Coventry that might now be safely aired for the instruction and amusement of British motor show visitors.

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A great reply to Nicklaus doubters

BY BEN WRIGHT, Ft. Lauderdale, Florida

THE ONLY REGRET in the minds of both those who witnessed it or took part in the remarkable finish to last Sunday's Jackie Gleason Inverrary Classic here was that it was a mere $250,000 tournament and not a major championship. For the winner, Jack Nicklaus, it was the best possible reply to those critics whose murmurings over the past year or so that the greatest golfer of all time was on the wane had become ominous rumbling after his sad collapse in the final stages of the Glen Campbell Los Angeles Open the previous weekend.

Of course Nicklaus is not finished at the age of 38. Past his best, perhaps, but Sunday's finish of five consecutive birdies to deprive poor Grier Jones of victory his splendid golf had deserved, indicates that the twilight of the maestro's career will, in the words of commentator, Jack Whitaker, "be as long and brilliant as an arctic sunset."

For those interested in statistics, the final trio of the day — Nicklaus (65 for 276), runner-up Jones (67 for 277) and third-placed Hale Irwin (69 for 278) — had no less than 13 birdies between them in the last nine holes. Nicklaus had six, to enable him to come home in a remarkable 30 strokes against par of 36, and Irwin four and Jones three in their respective inward halves of 33.

As the drama unfolded in the last two hours of play, the wind was gusting up to 15 mph in the warm sunshine. At one point Jerry Pate and Andy Bean were co-leaders with Jones, but unlike Nicklaus they both finished with five straight pars to tie for fourth place so that the stage was always set for a grandstand finish. It was just that no-one believed it would include Nicklaus.

When Jones played superb iron shots four and two feet respectively from the short 12th and par four 13th holes to record birdies at both he was, at 10-under-par, one shot ahead of Pate and Bean, playing ahead of him, and two in front of Irwin (eight under). At seven-under-par Nicklaus, in fifth place—three shots behind the leader with five holes to play—appeared yet again to have produced too little too late.

Nicklaus reminisced later, when he was as elated as I have ever seen him, that he had played really well for 13 holes and had become downhearted as his partners kept making birdies while he had been limited to two—at the 9th and 11th holes.

But then the fireworks started. Nicklaus cut his drive at the 14th, pulled his second shot 80 feet wide of the hole, and then ran the ball up over a hump straight into the hole. Irwin ran in his birdie putt from some six feet, Jones made par. Only Nicklaus went for the green with his second shot at the 532-yard 15th, which is heavily bunkered to the left and in front. He pushed his three-wood shot deep into the trees close to the cart path. With his swing restricted by a tree trunk, Nicklaus tried to trundle the ball up and over the bank, but succeeded only in reaching the fringe of the green. He calmly rolled in the putt from 15 feet, while Jones and Irwin both fashioned their own birdies with excellent pitches close to the hole.

The 199-yard 16th is fiendishly difficult when played downwind, as it was on Sunday, so shallow is the green at the end of the lake, and Nicklaus went through it with a four-iron shot. Irwin was through and to the right, the side he favoured all week, and found an impossible spot on the down-slope of a bunker with much rough grass in front of him and then 15 feet of green sharply downhill to the pin. Jones found the centre of the green with yet another magnificent iron shot.

Irwin duly tried to hop his ball out of the fringe and went far past the hole to drop a stroke, while Jones putted up adequately enough for his par. Nicklaus's chip had to be played even more steeply downhill than Irwin's. The maestro duly set the ball just in motion and it rolled slowly 17 feet straight into the hole for the second chip-in in three holes.

Suddenly the huge crowd had begun to believe in miracles, and they scampered ahead. Nicklaus pulled his drive at the 400-yard 17th almost into water, but played a great recovery with his six-iron, 20 feet from the hole. The tension mounted as Jones came up five feet from the hole, Irwin four. Unbelievably, Nicklaus holed his putt, as did Irwin, but Jones hit the hole and stayed out—his fatal mistake in retrospect.

Nicklaus cannily played his three-wood perfectly from the 18th tee at this 407-yard hole to get in his blow first. Irwin drove almost out of bounds to the right, Jones solidly into the middle. When Nicklaus played a glorious nine-iron shot four feet from the hole, the crowd went wild.

But while Irwin was always struggling for a brave chip and putt par, Jones gave himself every chance, leaving himself a 15-foot putt. Alas, his nerves failed him at last, and he came up short, and there was a massive certainty about Nicklaus's putt as he rolled it firmly against the back of the hole.

So Nicklaus had won his 64th event on the U.S. tour despite his worst-ever round on Inverrary's 7,172-yard par 72 East Course, a 75 on Friday. This was his third victory in succession on that course, and in four previous appearances Nicklaus has never finished lower than sixth. He has now won no less than $3,166,986 in the U.S.

For Jones, who has not won individually since 1972, this was a heart-rending experience, but he took it with a stoic courage and grace in defeat that is such a pleasing feature of the U.S. tour. One can only hope that his defeat will not haunt him forever—he deserves far better.

But what a sprint! Any writer who thinks he could dream up a more dramatic finish should be making a fortune in Hollywood.

Out among the pleasure islands

TRAVEL

PAUL MARTIN

WE ARE AN island race and perhaps that is why many of us prefer spending our summer holidays on the pleasure islands of the Mediterranean with a reasonable assurance of sun-filled days and, while it would take a whole series of articles to list the pros and cons of them all, each has something very different to offer.

For many years past we have gone off in droves to the Spanish Balearics and, in particular, to the major holiday centre of Majorca. While there is an undeniably fish-and-chips aura in some leading coastal resorts, the island is a pretty big one and, if you hire a car, you can easily go inland and escape from the crowds. There has also been considerable development in Ibiza but less in Minorca.

While the Balearics are unlikely to show any decline in the number of British vsitors—in spite of inflation, the increased value of sterling is an added incentive—virtually every major tour operator features the islands and, except in the case of specialist operators concentrating on particular areas, I suggest contacting the respective National Tourist Offices for detailed lists of who operates to where. I have given their addresses below.

Quite apart from a personal choice of a given resort, children's reductions can vary considerably according to the tour operator. There are a great many Mediterranean islands, but much as I love them, I am not going to try to include the Greek Aegean Islands.

For sheer beauty of scenery, spectacular mountain roads and the heady perfume of the flowers and shrubs it shares with mainland Provence, Corisca stands apart and, as many Frenchmen spend their own holidays there, the island has not acquired that somewhat spurious international character. One of the best beaches is at Propriano, south of the capital, Ajaccio, while, almost on the southermost tip, high cliffs form the backcloth to the harbour of Bonifacio from where you can cross to Northern Sardinia.

As I wrote about Sardina quite recently, I will only add that an even wider choice of holidays will be available there this summer, ranging from self-catering arrangements to the luxury of the Hotel Romazzino from the specialist operator, Magic of Sardinia.

Elba shares with Corsica historical links with Napoleon, who, born in Ajaccio, was later banished to Elba's capital, Portoferraio, which failed to hold him for long.

The island is just big enough to offer real contrasts between the mountains and the lovely coastline. An attractive little taverna at Procchio proudly claims absolutely no connection with Napoleon — he never called in for a drink or to water his horse! The Italian specialist, CIT, covers the whole of mainland Italy and the offshore islands, including Sicily, which is far enough south to be virtually a year-round holiday place.

My own favourite Italian island is the diminutive one of Ponza, the largest in a group that includes Palmarola, Zanone and Ventotene. Ponza has both the advantage and disadvantage of being somewhat remote, linked by steamer services to the Italian mainland at Anzio and Formia. I have recently been assured that the previously on-again, off-again, hydrofoil service will effectively be on again this summer! The underwater swimming and scuba diving in the clear water is superb and the little town of Ponza, set above the harbour, is delightful in an off-beat way. Palmarola is uninhabited but you can go out there by boat for the day.

In addition to CIT, Erna Lowscene awaits you if you cross features Ponza, using both the Hotel Mari, facing on to the waterfront, and the luxurious Ponzie Pilato. A 14-day peak-season holiday at the Hotel Mari costs £150 on a bed-and-breakfast arrangement and demi-pension at the Ponzio Pilato starts at £145 for a week between April and June.

I have sometimes been asked where people should spend their first holiday abroad and have often suggested Malta. In spite of various little local difficulties, Malta remains, in an odd, undefinable way, very British and the current popularity of self-catering holidays is also in evidence there. The specialists here are Medallion Holidays, linked to Air Malta's scheduled services.

The island enjoys a marvellous sunshine record and many leading hotels are grouped around Silema, near the imposing and massive fortress town of Valletta with its Grand Harbour. The landscape is somewhat harsh and barren and a very different over to the little harbour of Mgarr on the neighbouring green island of Gozo and go on to Xlendi and Marslform, where there is an attractive and active fishing harbour. Medallion quote £164 for a ten-day holiday with demi-pension at the Hotel Calypso there from May 16 to June 30.

Gozo also has, at the Ta-Cene, an imaginatively-planned and quite delightful holiday complex, based on a central building and bungalows set out around the swimming-pool. This is in the luxury class and four people, sharing a bungalow and with demi-pension, would pay £297 each for 14 days in the peak season, July 1-September 30.

Each Mediterranean pleasure island has a different appeal but, in the more familiar and popular ones, there are often considerable savings in going outside the relatively short peak season and it is well worth doing a little shopping around to find out what is still available. The lover of bright lights may not be a Ponza person while, for those who want to get away from it all, even the bigger islands can provide quiet places.

Addresses:

CIT (England), 256 High Street, Croydon CR9 1LL.

Erna Low Ltd., 21 Old Brompton Road, London SW7 3HZ.

French Government Tourist Office, 178 Piccadilly, London W1V 0AL.

Italian State Tourist Office (ENIT), 201 Regent Street, London, W.1.

Magic of Sardinia, 190 Chiswick High Road, London, W.4

Malta Government Tourist Office, Malta House, 24 Haymarket, London, S.W.1.

Medallion Holidays, 182/184 Edgware Road, London W2 2DS.

Spanish National Tourist Office, 57/58 St. James Street, London, S.W.1.

Your Week-end £: Austria 27.70, Belgium 60.00, France 9.87, Italy 1,600, Greece 67.75, Spain 152.50, Switz. 3.5450, U.S. 1.9353. Source: Thomas Cook.

Questions of means and objectives

CAREERS

MICHAEL DIXON

A VERY ODD thing was said by Minister of State Gordon Oakes when he introduced the Government's discussion document on higher education last week. Bertie Boak, my fourth-form physics teacher, would not have let him get away with it. So the audience of university dons who heard Mr. Oakes's assertion apparently without demur, must stand charged with dereliction of duty.

"Education and research," the Minister declared, are "indisputably good things in their own right." Oh yeah? What about the education and research perpetrated by the Nazis, for example?

Mr. Oakes would probably counter that he would not call those activities education and research, insisting like Humpty-Dumpty that his words meant only what he meant them to mean, neither more nor less. But that would be no defence. He asserted something as indisputable. It has been disputed. The assertion is therefore nonsense.

It no longer makes me rage to find the people in charge of this country's education system selling and buying such codswallop (the assertion, by the way, was no slip of the tongue; it was printed in the previously prepared text of the Minister's speech). I have heard far too much of the same sort of fuzziness these past nine years to have any anger left. But it still makes me despair, and for two main reasons.

First, Mr. Oakes and his last week's audience are, by education's own values, among its very best products. How then can the education system produce at its highest levels people capable of uttering and tacitly approving if not—as I have sometimes seen happen — applauding such obviously refutable statements?

The answer can surely be only that the system is failing to instil rigour of thought even into its teachers. And that is a fault which weakens the foundations, not just of educational practice, but also of Western liberal democracy. To show how, I will cite an exchange from an educational conference which I attended in Brussels last weekend.

While those taking part included a majority of people from societies founded on liberal principles, there were groups from East European Marxist countries. The report submitted to the conference's final session for approval was compiled by Western liberals. It said that the fundamental aim of teaching should be to give students the skills of philosophical analysis which enable them to examine the bases on which both they, and people with different ideologies, think as they do. Given such skills, the students could decide for themselves what to believe.

At that point, the Marxists made an objection—which was recorded as such in the final report. The Marxists argued that the fundamental aim of teaching should be different. First students should be taught a set of correct beliefs. That would form the basis of their later thinking.

One could hardly have a better example of the prime difference between the liberal and the Marxist approach to education. Which adds, in my view, a somewhat sinister tone to the Minister's assertion even though (or perhaps still more so, because) Mr. Oakes seems to stand on the social democratic side of the Labour Party.

For his assertion that—whether or not "indisputably"—education is a good thing in its own right is not a thought, but a belief. Judged by the at least tacit approval given to the same sentiment by educators generally on the many occasions when I have heard it expressed to them, a large number of teachers and other suppliers of education hold it to be a correct belief. And it is the belief upon which the Government has clearly based its thinking in putting forward in the discussion document five possible strategies for the shaping of higher education over the next few years.

The main problem which the document purports to tackle is as follows. Until about 1983 the number of 18-year-olds from whom higher education (by which the document seems to mean courses of degree level) draws the bulk of its intake, will continue to increase. Thereafter the number of British youngsters reaching 18 will start to decline, slowly at first, but from about 1990 onwards very sharply. On the "central" of the document's three estimates, at the top of this hump in the age group there would be a British demand for about 600,000 student places, as against the 560,000 which the Government already plans to furnish by 1981.

The five broad options stated by the document as the framework for public debate, all have their particular benefits and ills. Put roughly, they are:

1.—Increase provision of student places on the present basis to accommodate the peak demand, then contract it again.

2.—To hold provision at the 560,000 places set for 1981 and turn any excess demand away.

3.—To accommodate the top of the hump by trying to cram more students into the present system, and beyond that relying on rented premises and temporary staff.

4.—To forestall the strain of any peak demand by developing more two-year at the expense of three-year courses, obliging more youngsters to wait a year or so between leaving school and entering higher education, or study part-time etc.

5.—To provide permanent capacity to accommodate peak demand, and when the 18-year-old age group declines, fill the excess places by encouraging demand from older, and especially working-class students.

However, a public debate within that framework would hardly be in the interests of intellectual rigour. There is clearly a sixth option. It is to reduce the provision of degree courses below the planned 560,000 places in 1981 or even below the 520,000 existing now. This would enable some of the annual spending on higher education — currently around £1,340m.—to be invested somewhere else.

Mrs. Shirley Williams has said that, given an extra £250m., she would put £100m. of it into the budget for scientific research, and the remaining £150m. into increasing the financial support for students on post-school courses below degree level. If she cannot have the money now, however, the Secretary for Education and Science could save it up over the next few years. The £250m. bonus is much the same as the estimated annual cost of increasing the present provision of degree-course places to accommodate a peak demand of 600,000.

But the savings from curtailing higher education might be invested even better in measures to restore from primary schools upwards the intellectual rigour so evidently lacking in the education system. Why not at least a £250m.-a-year programme to provide extra, effective teachers of basic literacy and numeracy in the schools?

FASHION

From the Hardy Amies ready-to-wear collection, here is a crisp white cotton pique skirt (about £27.00) and fresh white embroidery Anglaise blouse (about £29), which sum up the freshness of the spring look. Available from mid-March from Hardy Amies at 42, Hans Crescent, London, SW1 as well as his shops in Harvey Nichols of Knightsbridge, Browns of Chester, and Jenners of Edinburgh.

Suit yourself in white

LUCIA VAN DER POST

FOR THOSE who like to know about such things there will be two very easy ways to identify the truly fashionable woman this spring. She will either be clad in white from top to toe or else she will be wearing a suit. She may even be wearing a suit that is white.

White is, even now, to be seen parading up and down the smartest *rues* and *strasse* and several of my friends, who have been abroad recently, rushed straight out to buy something white on their return, so old-fashioned did they feel without a white outfit in their wardrobe.

I would be the first to admit that it is the least practical of colours, but I'm not here to make fashion, just to report it. White, though not practical, does have other advantages—it is immensely flattering to almost everybody (it's not for nothing that our grandmothers were great believers in a touch of white near the face) and if you can bring yourself to cope with the cleaning and laundering problems it poses, nothing looks fresher, crisper or more appealing than newly-pressed white cotton, silk or wool.

When I first started work, several years ago now, suits (and white gloves, and if you were very important, even hats) were what the ambitious girl wore to work. We teetered along in our stiletto heels and tight, tight skirts and thought we were immensely smart.

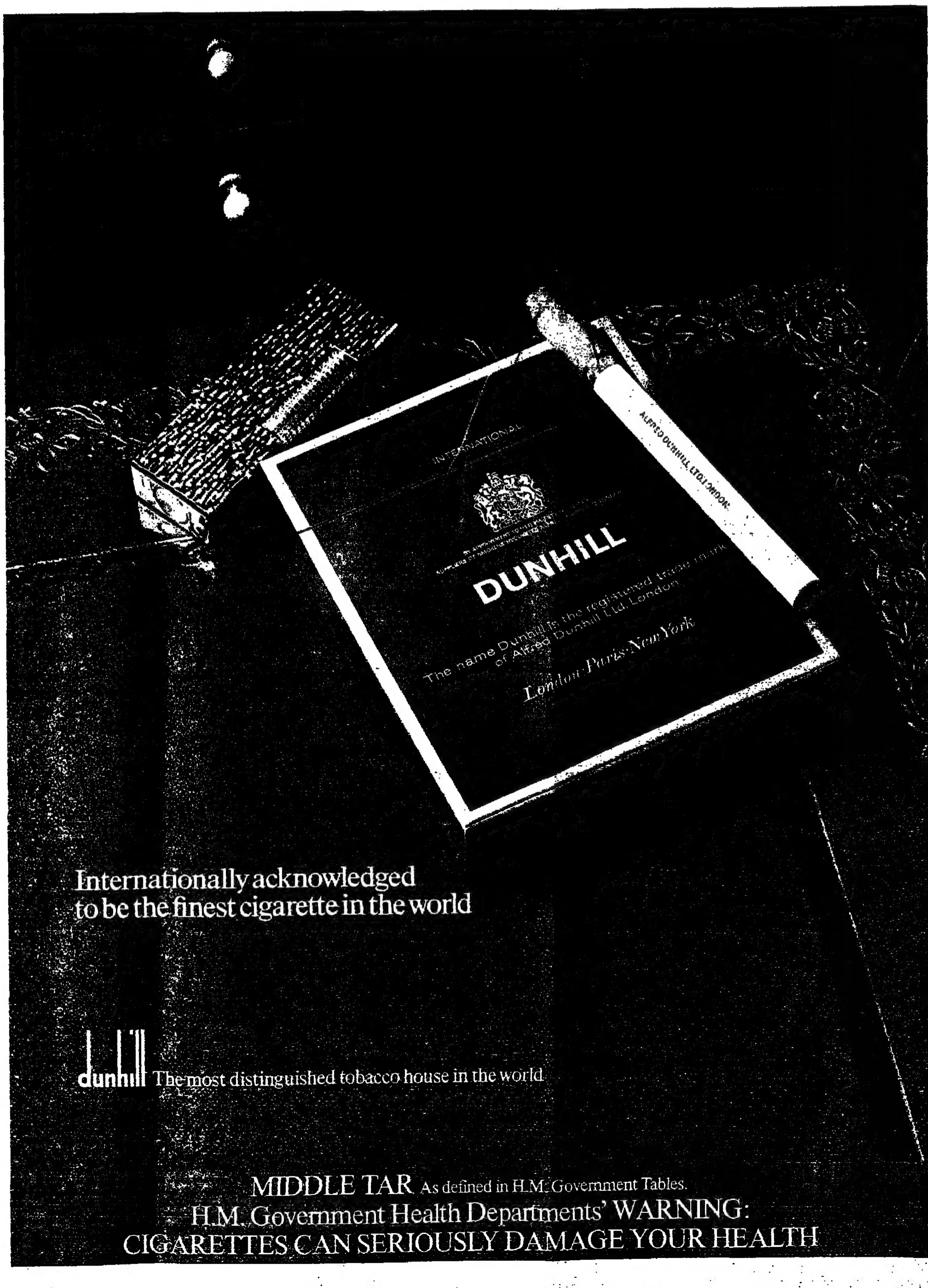
Well, suits are back. Though, happily, not in the same way. Skirts are more skilfully cut so as to look slim and yet be comfortable to sit about and move in as well. Jackets are looser and the look is softened with frilled, ruffled or bow-tied blouses.

The trouser-suit, too, is back. The top Paris houses, in particular Givenchy, Nina Ricci and St. Laurent, all showed trouser suits (or pant-suits as they are now frequently called). On those who are tall, thin and naturally elegant they look wonderful but it's not an effect I would recommend for the average British pear-shape.

As you can see, the trouser-suit has undergone several subtle evolutions since it was first sprung upon a shocked world way back in the mid-1960s. Trousers are fuller at the waist and taper down to the ankles and also have turn-ups. Jackets are what they call "unstructured"—this certainly gives a less rigid look to the suit. Though ties (a la Annie Hall) are often worn, so too are soft ruffled blouses.

Left:
This white flannel double-breasted suit is just one of a big range of white flannel suits that Wallis Shops will be selling from the beginning of March. There are trouser-suits, suits with straight skirts, gathered skirts, single-breasted or double-breasted jackets. This particular one is teamed with a silky spotted shirt with a tie neck. The suit is made from white 90 per cent. wool/10 per cent. nylon material (£39) while the blouse may be green, black, pale blue or dusky pink viscose crepe (£11.95).

Right:
From Givenchy's haute-couture collection, here is a new wool trouser suit showing the high waistband, slightly full trousers and turn-ups. The jacket is simple in shape but features the wide, padded - shoulder look which is part of the 1978 style. Both St. Laurent and Givenchy like to see their trouser-suits worn with high-heels and a stylish, mannish hat. Harrods stocks a selection of Givenchy ready-to-wear designs.



Pruning roses

GARDENING

ARTHUR HELLYER

FEW PEOPLE, I imagine, will have pruned their roses early this year. Certainly most of those I have seen lately have been still unpruned and that goes for all my own roses which I am hoping to prune this week. March is the traditional month for rose pruning and I have never seen much advantage to be gained by departing from it except for special reasons mainly of concern to exhibitors. Roses pruned now should be growing nicely by mid-April which is quite early enough to expose the young shoots to the rigours of a British spring in all but the most favoured places.

There are even more opinions about how roses should be pruned than there are about the best time to do it. Again many of the differences are concerned with the special needs of exhibitors who tend to be more vocal than other rose growers and so are in danger of being taken too seriously. Exhibitors are concerned with quality rather than quantity and they also have problems of timing, since the dates of the shows at which they hope to win prizes are determined months, sometimes even years, in advance and cannot be altered to suit the weather.

None of this is of any concern to ordinary gardeners whose aims are to obtain a good display in the garden, probably with enough flowers to permit some to be cut for the house without their being missed. Precisely when they come does not matter and, hopefully, there will be some to enjoy most of the summer and well on into the autumn, if the weather is kind. Yet even for the least show-conscious rose grower there should be some differences of pruning to suit the very different growth habits of roses.

It would, for example, be foolish to prune Queen Elizabeth, a giant, and Topsi, a dwarf, in precisely the same way.

Before even starting to prune it is wise to stop a moment and ask oneself why one is doing it at all. The answer should be to get new growth, for that is what roses depend on. In the wild they allow their older branches to die so that they can be replaced by new stems but it is not a very clean and tidy, nor is it a very safe, method of pruning.

So the first aim, when one sallies out with secateurs and saw, should be to help nature in its own work by relieving rose bushes of branches that have ceased to be useful. Some will be genuinely old branches with dark, hard, furrowed bark and very little new growth, others will be prematurely aged and weakened by pests and diseases. It is not very difficult to spot both kinds for the strong young stems, those that must be retained, have smooth, polished skins free from any major blemish.

So make a start by cutting out everything that does not answer this description. Of course, some of the good young stems will be growing from older ones and that does not matter at all. Branches that are still able to produce sturdy young growth may be old but they are not aged, which are two very different things. Even so, they should be cut back as far as the young growth, so concentrating the plants resources where they will do most good.

For most of this initial thinning a strong pair of lopping shears, to be used with both hands, may be better than secateurs, which have to be used one handed. A little of it may actually require a small saw, a special pruning saw narrow curved blade for pr... ence but any saw that car... slipped easily between branches will do.

When the removal of use... old wood has been compl... the rose bushes will prob... look very different and it... be much easier to judge ... still needs to be done. Prob... very little if the rose... naturally vigorous, certainly... more than a moderate sho... ing of remaining stems, b... quarter to one third t... length which will make t... branch lower down than ... would otherwise do and so... vent them from becom... awkwardly gaunt. Hard p... ing is apt to produce st... growth and if the variety... naturally vigorous it may be growth at the expense... flowers.

But for roses of average... less than average, vigour ha... pruning will give longer s... and better flowers: Good st... can be shortered by up to... thirds, weak ones may be... with no more than a coupl... growth buds. These are... little buds formed where... stalks are attached to stems... at this time of year they ap... as small swellings with the f... scar left by the falling leaf below each. All pruning... must be made just above... a bud, preferably one poin... in the direction you would... the new shoot to take. Norm... this will be away from... centre of the rose bush wi... does not need to be clutt... with inward growing, cro... stems.

Usually the top bud is... first to start growing, follo... possibly, by others lower d... the stem. However, things... not always go according to p... and so it is wise to keep an... on the rose bushes during A... to see just what is happen... If, in some cases, the top... has remained dormant... another, lower down the st... has taken over, the stem sh... be further shortened to... shoot. If this is not done... probability is that the stem... die back of its own accord... that point, a natural method... pruning but neither a tidy... a safe one since decay, o... started, can progress furt... than one would wish.

Pruning is not the end of... operation. To ensure that... really is followed by adeq... growth, the roses must be... first with a compound fert... sprinkled over the surface... whatever rate is recommen... by the manufacturer, and... by a mulch of manure... compost, peat or shredded... Manure is best because it... the roses more generously... compost. Peat and shred... bark scarcely feed at all... they are very good at... pressing weeds and retai... moisture near the surface... both help the roses to g... Some gardeners fear that... will depress fertility... dust does, by encouraging... terial activity without provi... the extra nitrogen the bac... need. In fact experience se... to be showing that this does... happen for the simple rea... that bark decays very slo... and there is little or no incr... in the bacterial population... makes a clean and tidy fi... to the rose beds and but... can be very easily stirred... a hoe if weeds do ... through.

هكذا من الأصل

HOW TO SPEND IT

by Lucia van der Post

Going by the Book

I A sucker for encyclopaedias, that once I get hold of one can't stop reading and browsing through. As page follows page I always find something I didn't know, something to amaze and astonish. So I didn't need much encouragement to start browsing through the latest encyclopaedia to come on the market—the Reader's Digest Library of Modern Knowledge.

Captivating though I found it, it seems to me that what is needed is some way of assessing its value in relation to all the other encyclopaedias that already exist. Buying an encyclopaedia is an expensive business—the Library of Modern Knowledge is thought, in the trade, to be remarkable value in that the three volumes sell for a total of £29.95 (from most bookshops) but you can pay up to £500 if you go for something like the New Encyclopaedia Britannica and prices between £75 and £175 are perfectly normal. So for the average household buying a set of reference books it is a huge investment and it is vitally important to make sure they get it right.

There's no one single best buy and anybody who thinks that their children or grandchildren have come to the age when they need a good reference system, would perhaps best start off by going to the local library and systematically looking up various subjects in all the available sets and comparing the treatment.

Which? hasn't tackled the subject recently (their last researches into the matter were into selling methods in September 1962 and an assessment of multi-volume sets in 1964) but if you have the back numbers or can get hold of them they are still useful because they set out certain criteria that are still valid about the hallmarks of a good encyclopaedia.

Much more up to date and remarkably thorough is a pamphlet on encyclopaedia ratings 1977-78 by James P. Walsh, a librarian who is also the author of several pamphlets looking into the comparative merits of other works of reference like maps, dictionaries.

He sets out a clear list of six points that the potential purchaser should bear in mind—these, I think, are invaluable because it is so easy to be beguiled into buying a certain set, only to find out too late that there is a bad index or you don't like the way the information is handled. He looks at encyclopaedias for children, for all members of the family including children from about ten upwards, and finally into the large advanced sets mainly bought by libraries, schools and universities.

He also lists in a very clear chart 17 of the most widely distributed sets and not only gives them a quality rating (which because it is subjective I find most useful) but lists price, how many volumes, for what age they're suitable and a host of other details including, finally, his own personal comments.

You can buy his pamphlet by sending a postal order or cheque for 25p to: Reference Books Research Publications, 51, High Street, Croydon, CR0 1QD.

As far as the latest addition to the ranks, the Reader's Digest Library of Modern Knowledge, is concerned it was unfortunately published too late to be included but Mr. Walsh certainly intends to look into it for next year.

Reader's Digest feels that its three-volume set, designed for 10 years and upwards, does have something different to offer. Firstly the information has been organised quite differently from most other encyclopaedias. After much market research (and they have spent some £2m. altogether just trying to get it right) they discovered that most people preferred an encyclopaedia to be organised by themes rather than simply alphabetically.

They identified 23 major areas of knowledge, all of which are treated in a general way and put into their proper context—for instance, so many encyclopaedias deal with, say, the French Revolution without relating to what else was going on in the world and what came before and after. Wherever possible Reader's Digest have tried to treat the subject matter in this way. Each area of knowledge, or topic, is followed by a glossary section for quick reference.

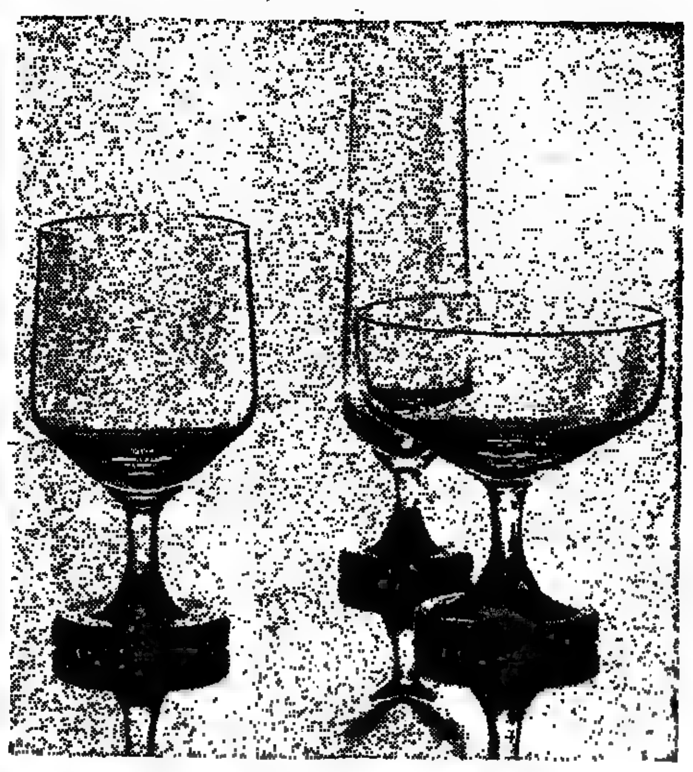
They defined a good encyclopaedia as needing to provide two things—scope for self-education (and this they do by treating subjects as a whole) and a quick reference system. Certainly their volumes do both of these. Magnus Magnusson apparently has a standard test he applies to encyclopaedias—he looks up the theory of relativity and having done so in this encyclopaedia he declared it to be the first time he had ever understood it.

They have aimed at great clarity of writing. They wanted such subjects as relativity, evolution and all the rest to be accessible and understood by everybody. They got experts to write each section but the brief was clearly to write not for other experts but for those who needed to understand.

Finally, they took great care over the diagrams. All the illustrations have had to earn their place by virtue of their contribution to the understanding of the subject they were illustrating. Every single one does a job, none was used just to pretty up a page.

I have certainly found that the three volumes (one is concerned with The World of Nature, another with The Human World and the third with The Everyday World) have explained things to me that I have never understood before. Experts tell me that it is particularly strong on the technical and scientific side and for those whose education stopped even as late as ten years ago there is much catching up to be done. The volume on maths actually managed to capture my interest and I intend to go right on home now and read all about the theory of relativity.

Rosenthal's Snow Flower Suite designed by Michael Boehm



Tapio Wirkkala's Variation glasses—designed about 18 years ago

Glasses Galore

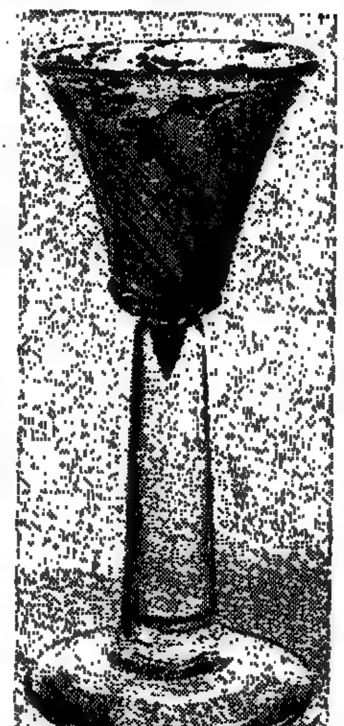
GLASS has been in the news in several ways this week but the project which seems to me the most interesting and gives me most pleasure is the development that is now happening at The Glasshouse, 65, Long Acre, London, WC2, the new, much-enlarged premises of the old workshop at 27 Neal Street.

Most people know that glass is usually made in two ways nowadays—either by hand-blowing (which is time-consuming, requires great skill and is therefore expensive) or by machines (which are now so automated that glass is produced so fast and efficiently that prices are quite astonishingly low). Ravenhead is a British firm which is one of the most automated, efficient and price-conscious in Europe and it has currently decided to help support and bolster the efforts of one of the smallest, most craft-based producers of glass in the world—the new Glasshouse.

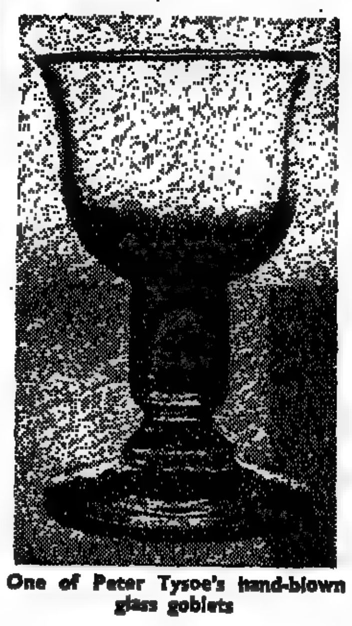
Readers may remember that the old Glasshouse was unique in being both a workshop and a retail shop. People could come along, see how glass was made and buy at the same time. This old idea will still continue but in addition the artists/craftsmen will have facilities to grind, cut and sand-blast on the premises as well.

The Glasshouse has been greatly helped in the past both by a private benefactor and by the Crafts Council but it is nice now to see a big commercial company acknowledging the importance to their own profits of small workshops. John Spencer, sales and marketing director of the Ravenhead Company, in his speech to mark the opening of the new premises said that Ravenhead had tried to find a way to encourage creativity before but it wasn't easy to find the right way. Design competitions had proved disappointing and he now felt that the Glasshouse, because it also offered commercial involvement and a training programme and was run by five talented artists, was a good medium for "encouraging artists and designers to understand the mass market requirements and processes."

What all this means to the ordinary reader is that you can go along, see some extraordinarily interesting work being done and buy glass that is unique and individual. There are also courses in glass-blowing for those who are interested—either during the evenings or at weekends—but write directly to the Glasshouse for details.



Hand-blown glass goblet by Annette Meech of The Glasshouse



One of Peter Tysoe's hand-blown glass goblets

Photographed above left is a 10 inch high goblet designed by Annette Meech, who was one of the chief links between the Glasshouse and Ravenhead. The goblet has a white background with a green and red berry decoration and it is about £25.

Readers who live in the West Country might like to know of the Packhorse Galleries at 5 George Street, Bath, where there is always a selection of glass from the Glasshouse (and otherwise specialises in pottery, including some of John Leach's work, and turned wood). An artist in glass, whose work they are particularly fond of and always stock, is Peter Tysoe. Each goblet is, of course, hand-made and each is signed by Peter Tysoe himself. Photographed above is a typical example—size and colour vary and prices are between £10 and £15.

Finally, readers who live within reach of Guildford can also see and buy Peter Tysoe's work—the Craftwork gallery at 38, Castle Street, Guildford, will be featuring his work from now until March 18. I haven't seen his most recent work but I'm told it has an "absolutely beautiful irridescent quality." If you want to go along and see the gallery is open from 9.30 to 5.30 from Monday to Saturday.

● Most of us from time to time need a very small amount of paint for some of the odd jobs that need doing in most households. There are always small things like plant pots, trays, picture frames, the odd table which can do with brightening up with some new paint. Until now the smallest paint tin size available has been in 250 ml and most colours and finishes were sold in either half or litre tins. Now Donald Macpherson who manufacture Cover Plus paint exclusively for Woolworth have started producing a 125 ml (⅛ litre) size in all 18 of their gloss colours. From 17th March, 39p each.

Another Jubilee

THE name of Rosenthal must be familiar to almost everybody who has ever looked at china and glass. This month Rosenthal celebrates 25 years of glass making at their factory in Germany and to mark the event they asked Michael Boehm to design a special range.

Rosenthal specialise in high-quality lead crystal and Michael Boehm's Snow Flower suite was designed to exploit many of the special processes Rosenthal use.

All these glasses are hand-made and the white swirling snow decoration is a unique and closely-guarded Rosenthal secret. Because they are hand-made and decorated no two glasses are ever identical, though, of course, the range is so similarly decorated that it is clear that they are linked.

There is the usual large selection of shapes and sizes as well as a selection of candle holders. The three glasses photographed top left are of the Bouquet shape and are priced at from £9.00 to £12.00. The complete range can be seen and ordered from Rosenthal Studio-House, 102, Brompton Road, London, SW3 and Wilson and Gill, Regent Street, London, W.1, and Liberty, of Regent Street, W.1. The Brompton Road branch will also dispatch by mail order.

The Snow Flower suite, in my view, shows just how much modern taste has swung away from the austere and simple shapes that were just coming into vogue when Rosenthal first started manufacture. Just to highlight what has happened in those years I have chosen to show, photographed top right, one of Rosenthal's early designs. Designed for them by Tapio Wirkkala, the internationally-famous Finn, they are still on sale, still look eminently desirable but are quite clearly not of 1977.

Anybody who prefers this simpler line may still order them from the Rosenthal stockists mentioned above. These three glasses are just a few from the large range that rejoices in the name of Variation—the white wine glass on the left is £6.75, the tall champagne glass at the back is £6.70, the saucer-shaped champagne glass is £8.85.

Maple table

[MO]ST PEOPLE who know any[thin]g about current methods of [man]ufacturing furniture will [kno]w that almost all of it is [venee]red—that is chipboard is [usua]lly the basis upon which an [infin]itesimally thin piece of the [surf]ace wood (teak, oak or what[ever]) is glued. Modern glues [are] now so strong that they have [tran]sformed the manufacturing [proc]ess and enabled these very [thin] veneers to be used successfully.

[T]here are still a very few [man]ufacturers (of which Ercol [is o]ur largest and most outstanding) who cling to the belief that [soli]d wood is what all true furniture should be made of. A world [shor]tage of wood has ensured [that] on the whole solid wood [furn]iture is mightily expensive.

[A]lf Martensson is an American [who], with his wife, came here [te]n years ago and who, being [a f]urniture designer familiar [with] maple, decided to see if [he c]ould concentrate on making [goo]d, solid maple furniture. He [full]y appreciated the price problem but saw that only as an [add]itional challenge, there for [him] to solve.

[A]lf Martensson has started by [limi]ting the range of his designs [—h]e just produces tables at the [mom]ent—round or rectangular [one]s. Bases may be made with [a] trestle or traditional legs. [They] are made from maple (which [he] feels is much more beautiful [tha]n pine and is almost as hard [as] oak). The tables are made [fro]m 2 inch by 2 inch strips of [the] timber, planed and laminated [tog]ether. The tables are therefore 2 inches thick, all of solid [woo]d. Very often tables also [hav]e about two planks of birds[eye] maple in them—birdseye [map]le is wood with a little flaw [tha]t which is rare and valuable [and] can often be seen used in [pict]ure frames.

[A]ll the tables are finished with [oil—]not polyurethane—so the [surf]ace is matt and scrubbable. [If s]cratched or marked in any [way], the mark can be rubbed out [u]sing fine glasspaper or wire [woo]l. It should then be re-oiled [with] teak oil.

[Alt]hough Alf Martensson has [been] approached by smart shops [who] want to sell his designs he [pref]ers to sell direct through his [own] company, called Woodstock, and this way he aims to keep prices down.

Tables can be made to any measurements and if not in stock delivery would take between four and six weeks. There is a big selection of rectangular tables which can be seen at the workshop and showroom at Albion Yard, Balfe Street, London N.1. (Open 9.15 to 6.30 Monday to Saturday). Out of London readers can write for a price list and drawings. Delivery is free within a radius of five miles from King's Cross and after that is charged according to cost to them.

Round tables, too, have been made by this butcherblock method and Alf Martensson finds that 54 inch and 60 inch diameter are the most popular sizes.

Prices vary from £130 to £250 but if you compare those with solid wood furniture in the shops (that is if you can find any: Ercol furniture in several shops now has an 18-month waiting list) you will realise it is not expensive for what it is. To give a precise price—a rectangular table with a four-leg base measuring 36 inches by 72 inches would be £188 (this is a standard size which can be bought from stock).

Alf Martensson will also take on special commissions, like kitchen counters and chopping blocks (12 inch by 18 inch are £12.50 while 18 inch by 18 inch are £17.50) are also on sale.

The workshops are in a fine old industrial building and there's ample parking in Albion Yard for those who want to go and see just how beautiful the wood is for themselves.

Chris Overton

[P]ick a [f]lower

[U]SUALLY have an aversion [to] anything that goes by the [nam]e of a vase—more hideous [thin]gs have been produced [to ho]ld flowers than in any [othe]r single field that I can [thin]k of. However, these two [vase]s from the Danish firm of [Bing] and Grøndahl seem to [me] extraordinarily pretty in their old-fashioned way. [They] are made from Copenhagen Porcelain company's [fin]ished underglazed porcelain in a palest blue colour. They are hand-painted and [are] simple but elegant. There are two sizes, 3¼ inches high and is [£...], the other is 6¾ inches [and] is £21.95. [You] can find them at Friars [...] of Cambridge, C. R. [...] of Oundle, Peter [...], Ravensbourne, Gal[...] at Beckenham, Kent, [...] and Co. of Blackburn [...] Gift Department. [For] other stockists write to [Copen]hagen Porcelain at [...] Park, Milton Road, [...]

Proper Puds by Philippa Davenport

Custards, cereal and sponge puddings are admirable foods for this time of the year when the choice of fresh fruit is both limited and somewhat expensive. A properly made hot rice pudding (velvety grains in a creamy rich sauce topped with a crinkled golden skin) is one of my favourites and hard to beat, especially when served with lashings of whole black cherry jam. But, although ideal for nursery eating or a family Sunday lunch, this comforting and delectable dish could hardly be described as dinner party fare. Here are three more sophisticated versions which would not seem at all out of place on a dinner party menu.

Riz a l'imperatrice — serves 8-10

This most luscious of all rice puddings makes a handsome centrepiece for a buffet. In winter, decorate it with nuts and glacé fruits (Selfridges sell brilliant green glacé figs which are particularly attractive) or halved poached pears. In summer, decorate the unmoulded rice with frosted berries and serve it with a bowl of sauce made by sieving soft berry fruit and sweetening to taste with icing sugar.

¼ lb short grain rice, 1½ pints milk, 1 vanilla pod, caster sugar, 2 oz best angelica, 2 tablespoons green Chartreuse, apricot brandy or lemon juice, 3 egg yolks, 1 teaspoon cornflour, 4 teaspoons gelatine powder, ½ pint double cream, fruit to decorate.

Scald the milk with the split vanilla pod, cover and leave to infuse for 20 minutes. Sprinkle the rice into a large pan of fast-boiling water and boil, stirring occasionally, for 5 minutes. Drain well and turn into an ovenproof dish. Scald the milk again, remove the vanilla pod and pour half the milk on to the rice. Stir in a tablespoon or two of sugar, cover with buttered paper and a lid and cook at 300° F, gas mark 2, for 45 minutes.

Chop the angelica and sprinkle with liqueur or lemon juice. Stir it into the cooked rice and turn into a shallow dish to cool.

Make an egg custard: cream the egg yolks, cornflower and 4 tablespoons sugar, gradually blend in the remaining milk and cook in the top part of a double boiler over barely simmering water for 20 minutes or until thickened. Allow to cool, stirring occasionally to prevent a skin from forming.

Blend in the gelatine powder dissolved in 4 tablespoons water, then stir this mixture gently but thoroughly into the rice. Cover and chill until quite cold but not set.

Meanwhile, brush a mould of 2½ pint capacity with flavourless oil, place greaseproof paper in the base of the mould and grease again. I find a loaf tin is ideal—and a good shape for decorating too.

Lightly whip the cream. Gently but thoroughly fold in the cold rice custard. Turn into the mould, cover with a dome of foil and chill for at least 5 hours. To turn out, dip the mould in hot water for a few seconds only, run a palette knife between the sides of the mould and the pudding, invert on to a large chilled dish and peel away the greaseproof paper. Decorate the top and surround the base with fruit of your choice.

Rice Brulee — serves 6

A simple but excellent pudding which men particularly seem to like. When soft summer fruits—such as strawberries, raspberries and blackberries—are plentiful, you can place a few berries in the base of each dish: sprinkle with sugar (and a drop of liqueur if you wish) before topping with the rice mixture. If you include half a pound of fruit plus the other ingredients given here, there should be enough to serve eight.

3 oz short grain rice, the finely grated zest of 2 oranges, a pinch of ground cinnamon, ½ pint milk (preferably gold top), 4 tablespoons single cream, ½ pint double cream, caster sugar.

Sprinkle the rice into a pan of fast-boiling water and boil, stirring occasionally to prevent sticking, for 5 minutes. Drain well and turn into an ovenproof dish. Scald the milk with the orange zest. Stir in 1 tablespoon sugar and a little cinnamon. Pour it over the rice and stir again.

Cover with buttered paper and a well-fitting lid and cook at 300° F, gas mark 2, for 45 minutes or until the rice is beautifully tender and has absorbed most of the milk. Turn into a shallow bowl to cool quickly.

Lightly whip the creams together. Stir 5 tablespoons or so into the rice and divide the mixture between 6 cocotte or individual soufflé dishes. Continue whipping the remaining cream until quite thick, then spread it over the rice.

Chill for at least three hours. Heat the grill until very hot indeed. Sprinkle ¼-inch-thick layer of caster sugar over each pudding and grill for 2-3 minutes. Chill for at least half an hour before serving.

Lemon Rice Meringue — serves 6

I like this best served warm—about 15 minutes after it comes out of the oven.

3 oz short grain rice, ¾ pint single cream, the finely grated zest of 3 lemons, 2 tablespoons lemon juice, 1 oz candied lemon peel (optional), caster sugar, 2 small eggs.

Sprinkle the rice into a pan of fast-boiling water and boil, stirring occasionally, for 5 minutes. Drain well and turn into an ovenproof dish. Scald the cream and stir it into the rice together with the lemon zest and 4 or 5 tablespoons caster sugar. Cover and cook at 300° F, gas mark 2, for 30 minutes.

Turn into a shallow dish and leave for 5 minutes.

Separate the eggs. Beat the yolks and stir them into the cooling rice. Carefully blend in the lemon juice and the candied lemon peel (if used). Divide the mixture between 6 cocotte or individual soufflé dishes.

Make a meringue mixture with the egg whites and 3-4 oz caster sugar and use it to top the puddings. Cook at 325° F, gas mark 3, for 35 minutes.

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THE ARTS

St. David salvo

RADIO
ANTHONY CURTIS

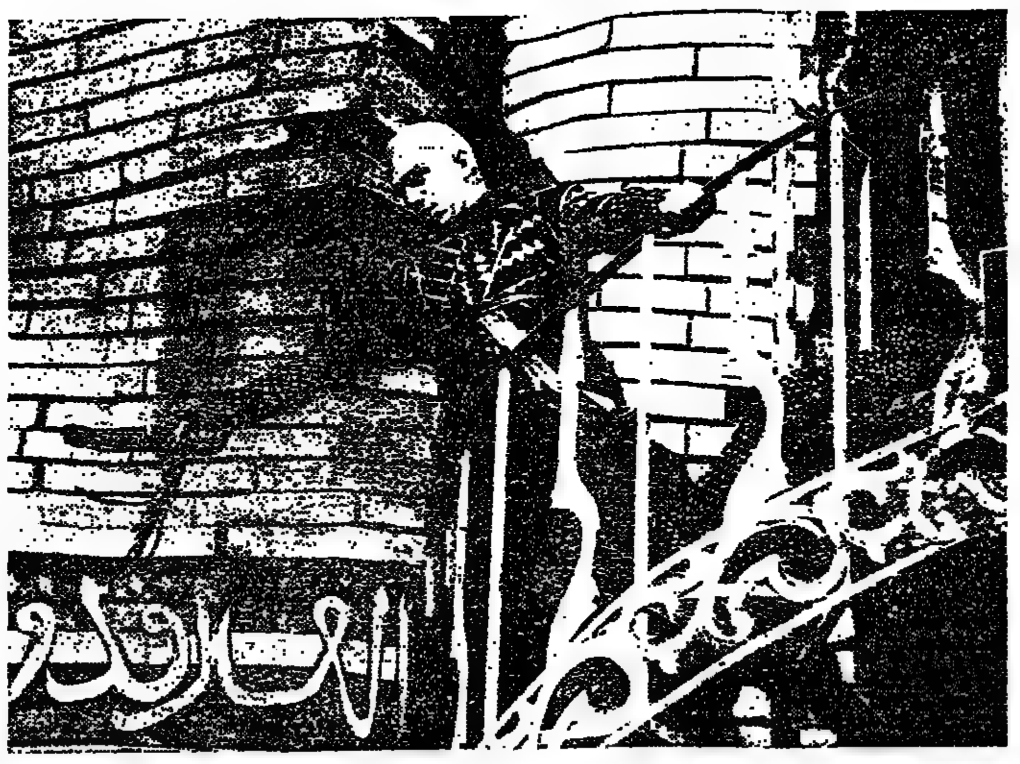
"Welshness and the Welsh language are not synonymous," concluded Professor Gwyn Jones at the end of the BBC Wales Annual Radio Lecture, recorded before an invited audience at Broadcasting House, Llandaff in November last year, and broadcast appropriately enough on St. David's Day earlier this week (March 1, Radio 3). The stylish lecture ranged freely over a great many things Welsh, from the beauty of Pembrokeshire to the Welsh Arts Council, but what it kept coming back to was the marvellous flowering of the Welsh spirit there has been from the pens of Welsh novelists and poets writing *in English*, particularly since the 1930s. Until I heard this lecture I had not thought of writers like, say, Alun Lewis or David Jones, as being in any way Welsh, regarding their contribution, a considerable one in both cases, as to English literature as a whole.

Indeed if you removed the "Welsh" element from "English" poetry in the twentieth century you would make a gaping hole in it. What Professor Jones made me realise for the first time is that among English-speaking Welsh writers whose work is on many different levels there subsists a bond of kinship, an essential Welshness, and this is true even when they are not writing specifically about Wales; their work partakes of the identity of Wales. It is a part of modern Welsh literature as much as work written in the Welsh tongue. The talk was seasoned with a sprinkling of quips, provoking an appreciative chuckle in the Welsh audience, and only once during the whole absorbing hour did the more controversial stuff produce what sounded like an interjection.

Although Prof. Jones referred to him as one among several, the figure of Dylan Thomas inevitably over-shadowed this lecture. Here was someone whose Welshness was never in doubt, but who dominated literary London in the 1940s, and the American campus circuit later, as the outstanding living representative of English literature. Thomas's Welsh roots were nowhere more revealingly and entertainingly disclosed than in the series of broadcasts he gave about his childhood for the BBC. The most famous of them, the one on Christmas, was originally given on 'Welsh Children's Hour' in December, 1945: along with several others it has happily been preserved in the archive like the pure gold it is. Good use was made of this material in another St. David's Day programme *Subjective Welshman wants to write of Happiness* (March 1, Radio 3) by Russell Jackson of the University College of North Wales. The title was the heading over an interview with Thomas in the college magazine when he went to Bryn Mawr to read his poetry there. As Mr. Jackson pointed out it sums up the unifying mood of these broadcasts. Like Dickens whom he so greatly admired (and in many ways resembled) Thomas was able to recapture the child's eye-view with astonishing accuracy in middle-age and to re-create it through a rich, freely associative language.

One of the earliest broadcasts recalling the Swansea of his young boyhood happened to tie in with Professor Jones's lecture in that it showed the poet's sense of two foreign countries beyond Wales, "one was called England and the other was called the Front. The Front was a country which only young men visited and from which they never returned." Most of the broadcasts from which this programme was compiled are old favourites but they still wear amazingly well. Luckily we were given generous helpings of them with an admirably unfussy commentary.

Apart from his poetic genius and his skills in prose Thomas was a fine actor. He played Satan in the original Third Programme version of *Paradise Lost*. His eloquent manner, unashamedly histrionic, loud, clear and declamatory is unhappily out of fashion nowadays. It stirred the nation during the austerity period after the war in the way that Churchill's more sombre broadcasts had earlier. The other great master, indeed the inventor of this histrionic manner in British politics, was another Welsh genius who ruled in England, Lloyd George. He, too, was the subject of an excellent St. David's Day feature *The Goat and the Wizard* by Patrick Hannan. Again the title says it all. From books and papers published over the past few years LG's goatlike activities have emerged into the light of day while historians still argue about his policies and downfall. Mr. Hannan gave us the whole man, the politician and the charmer of women, with the help of the most recent research and several contemporary witnesses. He was fortunate in having Emrys James to impersonate his hero. In this kind of programme actors tend to make historical people sound like actors but with Lloyd George that danger does not arise.



Stafford Dean

Seraglio in Glasgow

OPERA
RONALD CRIGHTON

Into *Die Entfuhrung* or *Seraglio* as Scottish Opera call the work, Mozart poured greater musical riches than the framework of escape and clemency will conveniently stand. This explains the impression made by this score, of a cluster of good things not quite consistently ordered, hopping from sham-Turkish colouring to love music in the ardent vein of the violin concertos—in at least one of those works Mozart reconciled the two manners, but he was not yet ready to do this on an operatic scale. Hence the difficulty producers not content to take the easy way find in getting *Seraglio* right.

David Pountney's new production for Scottish Opera, seen at the Theatre Royal, Glasgow, on Wednesday, is fairly ambitious. He and his designers David Fielding (set) and Maris Bjornson (costumes), have invented an island fortress in Bosphorus—tumbledown style, with crumbling masonry and rusty corkscrew staircases. The exterior has charm, but the walls open to reveal claustrophobic apartments heavy with jet black veils, gold tassels, sealing-wax red drapes—lots and lots of red, for confinement, cruelty, hell, what you will. Too much red—lustre tiles give some variety of tone, but the eye needs more. The effect is glaring, fussy yet lifeless. During two at least of the score's great moments, the quartet and the duet for Constanze and Belmonte after the failed escape, by contrast with Mozart's truthfulness the stage merely looks like a draper's shop gone mad.

In this private inferno, nerves are stretched to breaking-point. Pasha Selim (Rupert Frazer) is a Muslim playboy torturing himself with past insults and present failure to make it with Constanze. Mr. Pountney's new translation gives the Pasha too much dialogue: the more the character has to say, the more one regrets that Mozart had no singer for the role. Constanze, in spite of her protested fidelity to Belmonte, is clearly within sight of yielding to the Pasha. Blonde is not beyond giving an encouraging slap or two to Osmin. That officer, instead of a fat, comic bully is a shaven-headed melancholic, grimly distinguished. The poison has somehow spread to Belmonte, creeping miserably round the outside walls in the last stages of desperation. Only Pedrillo appears at ease.

The men provide the best singing. Stafford Dean's admirable, blue-black bass lends infinite longing to Osmin's sad cantilenas and sharp precision to his bursts of rage. Graham Clark as the untroubled but not insensitive Pedrillo gives the other outstanding performance of the evening. Robert Tear's Belmonte is extremely musical, quite un-German in timbre, always interesting. He is not allowed his third aria, but the mood of the piece would hardly match such a tense reading of the character. Catherine Malfitano sang "Martern aller Arten" with an edge like a polished scimitar—brilliant, but illuminating only one side of Constanze's character.

Gary Bertini conducted. His Mozart did not rival the mastery remembered gratefully from his *Ariane et Barbe-bleue* in Paris. There were moments of needle-like delicacy (the accompaniment to Mr. Clark's beautifully sustained soft singing of Pedrillo's serenade among them), others of thinnish raggedness. The overlapping of the final vaudeville with the last line of the dialogue was presumably not intentional. The Scottish Chamber Orchestra on this occasion sounded like good first desks with also-rans further back—at least this ensured sound solo work in the concertante aria for Constanze.

Hidden masters

MUSIC
ARTHUR JACOBS

Composers of our century belong mainly to two groups: they are either dead or they are affiliated to University College, Cardiff. That, at least, is the implication of the Cardiff Festival of Twentieth Century Music. The festival's artistic director is Alun Hoddinott, who heads the college department of music: he has programmed three works of his own, along with four by faculty colleagues and one by an ex-student.

As well as paying special homage to Sir Lennox Berkeley in honour of his coming 75th birthday, the festival finds room for Elisabeth Lutyens and six decidedly minor British (non-Cardiff) composers. But the only living foreign composers admitted are Duruflé and Paul Tortelier, the latter appearing primarily as conductor and cellist. It is all so engagingly immodest and parochial that one can only smile at the idea of this being counted a serious contribution to Europe's festival calendar. Save for Tortelier, again, no stars of major celebrity are present.

A fair number of the events, remarkably, are free. But this is in some measure because they are BBC fixtures. The festival has moved forward this year in order to avoid a clash with the coming season of the Welsh National Opera, and in so doing has found an overlap with the special St. David's week of BBC Wales. Accordingly, non-payers on Wednesday night heard a concert by the BBC Welsh Symphony Orchestra, and on Tuesday a non-concert by the Fires of London.

I call it a non-concert because to assemble one hour's music, in an auditorium (the University's New Hall) where most of the audience could not see the performance, would not in other circumstances be considered a recent musical promotion. It will primarily serve the BBC transmission on Radio 3 next Sunday, where one hopes that better programme-notes will be aurally provided than were skimpily presented in typescript at Cardiff. Biographical information in the festival programme generally has gone by default.

Nevertheless there was special interest in newly hearing the Fires of London (Peter Maxwell Davies's group), the personnel having almost completely changed about a year ago. It was clear that the new, youthful team carries great skill and sensitivity, not least in the way that Lesley Shrigley Jones has taken over those cello parts in Davies's own works which were so memorably associated with Jennifer Ward Clarke.

At this concert, Davies was represented by the *Hymn to St. Magnus*, which strikes me as one of his more confused and confusing works, and by the attractive but lightweight rearrangement of a 17th century Scottish piece (*Kinloche his fantassie*, to use Mr. Davies's fussy-antique spelling). Between them came the work by Mr. Hoddinott's ex-student, Robert Swain (b. 1947). There is a decided talent in his *Sonatas and Interludes*, but too much discrepancy is evident between the serial modernity of some parts and the naive exploration of one single note and its major chord.

Visibility of the performers was hardly better at Cardiff City Hall (such are the capital's cultural amenities!) but at least here was a full-sized programme. Presumably through under-rehearsal, the BBC Welsh Symphony Orchestra under the Romanian conductor Erich Bergel came to an unscheduled stop in David Wynne's *Octad* and had to restart. It is a well-knit and vigorous piece by this veteran composer (b.1900) and a further hearing is called for. The triumph of the evening was Heinrich Schiff's in Prokofiev's *Sinfonia Concertante* for cello and orchestra: not since Rostropovich's introduction of this work have I heard such an imposing, songful tone and such tremendous delivery of its most difficult rapid passages.

Michael Robinson, the college's distinguished musical historian, proved with a *Duo* for violin and piano that he is a thoughtful composer too. The performance by Clarence Myerscough and Martin Jones missed some rhythmic idiosyncrasies of the score, but brought out a passionate complexity that suggested the inspiration of Bloch or Szymanowski rather than of to-day's trendy models.

Bank aid

The National Westminster Bank is to sponsor the Welsh National Opera's new production of Madam Butterfly, which is premiered in Cardiff on November 1. Its contribution is £15,000. Earlier in its season—on March 15—the WNO is presenting only the second performance outside London of Richard Strauss's Elektra. The production is by Harry Kupfer, opera director at Dresden, where Elektra was first presented, in 1909.

Theatres this week

YOUNG VIC STUDIO—*Seven Samurai*. Deft but brittle mime. Reviewed Tuesday/Wednesday.
THEATRE ROYAL, Bristol—*The Provoked Wife*. Uproarious production of Vanbrugh's splendid comedy. Reviewed Wednesday.
RIVERSIDE STUDIOS — *Hello and Goodbye*. Excellent production of Fugard's early play, with Yvonne Bryceland. Reviewed Wednesday/Thursday.
PHOENIX—*Kings and Clowns*. Nothing at all in this musical about Henry VIII. Reviewed Thursday/Friday.
ICA—*Scared to Death*. Sharp social comment in hospital play by talented Dutch company (in English). Reviewed Thursday/Friday.
DUKE OF YORK'S—*Half-Life*. Splendidly civilised conversation by John Gielgud and strong supporting company. Reviewed yesterday.

. . . and next

Monday, *Whose life is it anyway?* at the Mermaid, with Tom Conti and Jane Asher. Tuesday, *Twelfth Night* at the Young Vic. Wednesday, *Class Enemy* at the Theatre Upstairs, and at Cambridge the Marlowe Society in *The Winter's Tale*. Thursday, Moliere's *Don Juan* at Greenwich, and a piece by Howard Brenton and Trevor Griffiths, *Deeds*, at the Nottingham Playhouse.

Edward Thomas Centenary

This week-end sees the centenary of Edward Thomas, poet and writer about the English countryside. Thomas was born at Lambeth on March 3, 1878 and died in 1917 at the Battle of Arras. Before he joined the army Thomas lived in Hampshire and the centenary celebrations will include a service of Dedication at 5.30 to-day in Steep Church by the Reverend R. S. Thomas of a Memorial Window designed and engraved by Laurence Whistler with readings from Thomas's work by Jill Balcon and John Westbrook.

To-morrow a Centenary Walk will take place from Steep to Selborne. Walkers will assemble at 9.45 a.m. at Steep Church departing at 10 by way of Shoulder of Mutton Hill. At the sarsen stone the leader of the walk, the playwright John Bowen, will read one of Thomas's poems, after which the walk will proceed by way of Oakshott and Prior's Dean to Selborne.

TV Radio

† Indicates programme in black and white.

BBC 1

9.00 a.m. Teddy Edward. 9.05 Indoors Outdoors. 9.30 Multi-coloured Swap Shop. 12.18 p.m. Weather.
12.20 Grandstand: Football Focus (12.25); Hockey (12.55, 1.40) Bank Xerox Indoor Club International; Racing from Newbury (1.25, 1.50, 2.25); Racing from Haydock Park (2.10, 2.40); Rugby Union (2.50) Calcutta Cup: Scotland v. England, and at 4.30 Ireland v. Wales (highlights); 4.40 Final Score.
5.10 The New Adventures of Batman.
5.35 News.
5.45 Sport-Regional News.
5.50 Jim'll Fix It.
6.25 Dr. Who.
6.50 Saturday Night at the Movies: "Take The High Ground," starring Richard Widmark.
8.30 The Les Dawson Show.
9.00 Starsky and Hutch.
9.50 News.
10.00 Match of the Day.
11.00 Saturday Night at the Mill.

All Regions as BBC 1 except at the following times:—

Wales—8.40 a.m. Indoors Outdoors. 9.05-9.30 Teliffant. 2.30-4.40 p.m. Rugby Union: Ireland v. Wales, including 4.30 Scotland v. England (highlights). 11.50 News and Weather for Wales.

Scotland—4.55-5.10 p.m. Scoreboard. 5.45-5.50 Scoreboard. 10.00 Sportscene. 10.30-11.00 Songs of Scotland. 11.50 News and Weather for Scotland.

Northern Ireland—2.30-4.30 p.m. Rugby Union: Ireland v. Wales. 4.30-4.40 Rugby Union: Scotland v. England (highlights). 5.00-5.10 Scoreboard. 5.45-5.50 Northern Ireland News. 11.50 News and Weather for Northern Ireland.

BBC 2

7.40 a.m. Open University.
3.10 p.m. Saturday Cinema: "The Far Country," starring James Stewart.
4.45 Hit the Note!
5.15 Horizon.
6.05 Open Door
6.30 Sight and Sound in Concert featuring The Tom Robinson Band, Sad Café (simultaneous with Radio 1 stereo).
7.30 News and Sport.
7.45 Network.
8.15 The Book Programme
8.45 Film International: "The Long Holidays of 1936."
10.30 M*A*S*H.
10.55 Late News on 2.
†11.00 Midnight Movie: "They Were Expendable," starring Robert Montgomery and John Wayne.

LONDON

9.00 a.m. Sesame Street. 10.00 Our Show. †11.00 Saturday Cinema: "Emergency," starring Zena Walker and Dermot Walsh.
12.00 World of Sport: 12.05 p.m. Motor Racing: South African Grand Prix "live" from Johannesburg; 12.40 On the Ball; 1.10 News from ITN; 1.15 The South African Grand Prix; 2.10 The ITV Six—2.20, 2.30 and 3.25 from Hereford; 2.35, 3.05 and 3.40 from Market Rasen; 3.30 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News from ITN.
5.15 Happy Days.
5.45 Logan's Run.
6.45 Celebrity Squares.
7.30 Enemy at the Door.
8.30 Sale of the Century.
9.00 Within These Walls.
10.00 News.
10.15 The South Bank Show with Melvyn Bragg and Jacques Loussier.

GRANADA

9.30 a.m. Tiswas including 10.28 Dynomutt: The Dog Wonder. 10.47 Tiswas. 5.15 p.m. Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 "Checkpoint," starring Anthony Steel. 11.15 Stars on Ice. 11.45 "Paradise" (TV movie).

YORKSHIRE

9.00 a.m. The Rolf Harris Show. †9.25 Custard Pie Parade. 9.45 Saturday Scene Action Adventure: "The Brigand of Kandahar." 11.00 Happy Days. 11.35 Calendar Kids. 5.15 p.m. Logan's Run. 6.15 Havoc. 6.45 Sale of the Century. 7.15 Enemy at the Door. 8.15 "Danger in Paradise."

RADIO 3 464m, Stereo & VHF

‡ Medium Wave only

‡7.55 a.m. Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 10.45 Robert Mayer Concert (S). 12.02 p.m. James Galway presents music on records (S). 12.55 News. 1.00 Heritage. 1.15 Schubert and Schoenberg: chamber music concert (S). 2.15 Man of Action: David Rudkin chooses records (S). 3.35 Music of the Masters by Beethoven, Chopin, Debussy (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Classical Guitar (S). 7.45 Personal View (talk by Rosalyn Higgins). 8.05 "Betulia Liberata." Sacred drama in two parts, music by Mozart. Act 1 (S). 9.10 Interval Reading. 9.25 "Betulia Liberata," Act 2. 10.25 The Lovely Years compiled and presented by Martin Esslin.

RADIO 4 434m, 330m, 285m and VHF

6.30 a.m. News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news (VHF) Regional News. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather, programme news (VHF) Regional News. 8.00 News. 8.10 Sport on 4. 8.40 Today's Papers. 8.45 Yesterday in Parliament. 8.55 Party Political Broadcast by the Conservative Party. 9.00 News. 9.05 International Assignment. 9.30 The Week in Westminster. 9.55 News Stand. 10.15 Daily Service. 10.30 Pick of the Week. 11.20 Time for Verse. 11.30 Science Now. 12.00 News. 12.02 p.m. James Galway (S) (as Radio 3). 12.55 Weather, programme news VHF (except London ...) 1.00 News. 1.05 Does He Take Sugar? 1.35 Music of the Masters (as Radio 3). 2.00 Kaleidoscope Encore. 5.30 Week Ending ... 5.55 Weather, programme news VHF Regional News and 6.00 News. 6.15 Desert Island Discs. 6.50 Stop the Week with Robert Robinson. 7.30 These You Have Loved (S). 8.30 Saturday Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 On the Town. 11.00 Lighten Our Darkness. 11.15 News.

Open University (VHF only) 9.05 a.m.-12.00 and 1.00-5.00 p.m.

Weekend Choice

All the best winter week-ends include an *International Rugby Union* match, and to-day's (BBC 1, 2.50) is the England v Scotland game for the Calcutta Cup at Murrayfield with commentary by the exemplary Bill McLaren.

By and large the rest of Saturday's programmes make it a good night to go out, *M.A.S.H.* alone providing a strong enough reason not to (BBC 2, 10.30). Even after losing two central character the series is still consistently sharp and *funny*.

On Sunday morning most areas get Jack Hargreaves' unique programme *Out of Town* (ITV, 11.00) which is almost as good as a week-end in the country. Later, in the clash between *The Sea* on BBC 1, the first televised Edward Bond play (8.05) and the last part of *The Mayor of Casterbridge* on BBC 2 (8.15) the sensible course is to watch the play and catch the *Casterbridge* repeat on Friday.

The only snag then is that you still miss most of *Two's Company* (ITV, 9.30) which is *one of the funniest series of* for years.

Jack Golloway as Farfrae

ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office.

THEATRES

ALDWYCH. 836 6404. Info. 836 5332. ROYAL SHAKESPEARE COMPANY in repertoire. Today 2.00 & 7.30. Mon. 7.30 Final perf. Jonson's THE ALCHEMIST (sold out). RSC also at THE WAREHOUSE (see under W) and at the Piccadilly Theatre in Peter Nichol's PRIVATES ON PARADE.

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VAUDEVILLE. 836 9988. Evgs. at 8. Mats Tues. 2.45. Sats. 5 and 8. Dinah SHERIDAN, Dulcie GRAY, Eleanor SUMMERFIELD, James GROUT A MURDER IS ANNOUNCED THE NEWEST WHODUNIT HIT by AGATHA CHRISTIE "Re-enter Agatha with another whodunit hit. Agatha Christie is stalking the West End yet again with another ...

CINEMAS

CLASSIC 1, 2, 3, 4, Oxford St. (Opp. Tottenham Court Rd. Tube.) 636 0310. 1: ABBA THE MOVIE (U). Stereophonic Sound. Progs. 1.30, 3.50, 6.10, 8.30. Late show 10.50 p.m. 2: THE HIDING PLACE (A). Sep. Perfs. 2.00, 5.00, 8.00. Late show 11 p.m. Charlton Heston SOYLENT GREEN (AA). WESTWORLD (AA).

THE ARTS

A roomful of Walls

ART
WILLIAM PACKER

Nicholas Monro is the most ngular of English sculptors, an ld man out and hard to place, s work inconvenient, and even izzling, certainly disconcerting; r it fits into no easy category, id challenges the orthodoxies ot only of modern sculpture ıt also those of the tradi-onal figurative disciplines. This ızzlement is not restricted to ıe small world of his profes-onal peers, the artists, critics, id dealers of whom many ankly enjoy his work, but tends to the public at large. orecambe and Wise in Regent's ork are his doing; and for once is figurative sculpture, and not ostraction, that is exciting ontroversy and obloquy. The King Kong he made some years ago was refused planning permission by Birmingham City Council, much to the dismay of its proud owner; and only last year the Metropolitan Police refused to stop the traffic on Waterloo Bridge to allow him to swing on to the Hayward on the end of a crane.

His latest work presents a remarkable sight, a roomful of Max Walls, half-a-dozen of them, all life-size and dreadfully green, prancing and posing and scowling around the equally green and equally artificial grand pianos. And taking so famous, so familiar an image as the variously contorted Max Wall, in his short coat, big boots and too tight tights, has a most curious effect: for we cannot escape the association—indeed we are not meant to escape, and as we move through the gallery, they seem almost to creep up on us—and yet the association is kept at a remove, not neutralised but distanced by the physical presence of these objects, and the repetition of their imagery. Monro's work remains at the Felicity Samuel Gallery in Savile Row until March 31.

Royal Court in the news

The Royal Court Theatre is in the news this week. It has learned that its annual grant from the Greater London Council —£12,500 last year—will not be forthcoming in 1978-79, and it has announced that the first preview of Annie, voted Best Broadway Musical of 1977, will be a charity preview in aid of the Royal Court Theatre Society, which greatly supports the theatre financially.

Although the GLC grant is not nearly as important to the Royal Court as help from the Arts Council, which should be forthcoming any day now, it is a lot when set against the annual production budget of £60,000. The Annie preview, on April 25, which will be attended by Princess Margaret, should raise around £20,000, but this was already planned.

TV Ratings

Week ended February 19

U.K. TOP 20: Viewers (m.)

1. A Sharp Intake of Breath (ATV)	18.85
2. Coronation St. (Mon.) (Granada)	18.45
2. This is Your Life (Thames)	18.45
4. Coronation St. (Wed.) (Granada)	17.75
5. Mind Your Language (LWT)	17.40
6. The Professionals (LWT)	17.35
7. Crossroads (Tue.) (ATV)	17.00
8. George and Mildred (Thames)	16.95
9. Dave Allen (ATV)	16.90
10. Opportunity Knocks (Thames)	16.85
11. World in Action (Granada)	16.75
12. Crossroads (Thur.) (ATV)	16.40
12. Maggie and Her (LWT)	16.40
14. Mike Yarwood in Persons (BBC)	16.30
15 Armchair Thriller (Tue.)—Rachel in Danger (Thames)	16.25
15. Looks Familiar (Thames)	16.25
15. Crossroads (Fri.) (ATV)	16.25
15. Starsky and Hutch (BBC)	16.25
19. Wilde Alliance (Yorkshire)	16.20
20. Robin's Nest (Thames)	16.00

Figures compiled by Audit of Great Britain for the Joint Industrial Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

1. Laverne and Shirley (comedy) (ABC)	31.9
2. Happy Days (comedy) (ABC)	31.1
3. Three's Company (comedy) (ABC)	30.8
4. Charlie's Angels (drama) (ABC)	29.9
5. Eight is Enough (drama) (ABC)	27.3
6. Little House on the Prairie (drama) (NBC)	26.7
7. Grammy Awards (CBS)	26.3
8. Live and Let Die (movie) (ABC)	25.7
9. How the West Was Won (special) (ABC)	25.1
10. The Awakening Land (special) (NBC)	25.0

A Nielsen rating is not a numerical total.

Lessons of the master

PAPERBACKS
ANTHONY CURTIS

GONE ARE the days when a paperback implied something of negligible cost which could be slipped into a coat pocket, read once, and thrown away. We are reaching the point, if indeed we haven't reached it already, when only a library or a very rich person will be able to afford a hardback book and when serious paperbacks are too pricey for the student who is living on a grant. The paperback edition of Leon Edel's *The Life of Henry James* which has just appeared in two volumes as a Peregrine Book from Penguin costs £10 for the set. Yet I would recommend it to anyone who has an interest in the literature and the literary life of the 20th century: it is a high a price to pay but I think worth it to have Dr. Edel's wonderfully complete biography readily to hand at home.

One of its greatest virtues is that although it is vast, each volume containing more than 800 pages, covering its hero's 73 years in massive detail, it is not at all a difficult or laborious book to read. This is because during the 20 years it took him to write the biography Dr. Edel thoroughly refined his raw material; what we read is a distillation; not as with so many scholarly biographies a total recall of the material available to the biographer.

In the early days the author devised a most felicitous method of dividing the story into a sequence of separate short sections. Each section follows on easily and more or less chronologically from the last but it is complete in itself and has its own heading such as Parisian Life, Silk Purse and Sow's Ear, The American, In The Provinces, A Channel Crossing: these come from "Book Four: The Siege of Paris 1875-76."

The first volume ends not with his conquest of London, 1876-81, when this uncompromisingly serious American in his mid-30s became the most sought-after dinner guest of the season and when as the small-talk flowed around him he would pick up the precious particles, the grains of plot, which would one day germinate in his greatest novels. Since the original five volumes were published severally, Dr. Edel has learnt new facts about Henry James: these have been incorporated, emphases changed, and the whole work tailored to the needs of the general reader with the scholarly source references left to the hardback.

By the second volume James's fame is secure; he moves from London to Lamb House at Rye and he becomes the Master with a number of devotees among the younger novelists. The most famous of these was Hugh Walpole, and the section on him is one of the most fascinating in the whole biography. Walpole as an aspiring writer sent one of his books for James to read. He got a letter back both warm and discriminating. An invitation to Rye followed and a friendship rapidly flourished.

James called Walpole "belovedist boy" but were they in any sense lovers? Somerset Maugham who tended to know about such things says that Walpole offered himself but James couldn't or wouldn't. Dr. Edel too doubts whether James's affection ever took this form though he did have a "tactile" style, touching and patting his friends, and was most demonstrative to the sculptor Hendrik Anderson and the Irishman Jocelyn Perrse in whose company he specially delighted.

None of this affectionate feeling prevented him, however, from giving merciless critiques of his young friends' novels if they were bold enough to send them to him. One friend, Howard O. Sturgis, who wrote what many people consider to be a masterpiece, *Belchamber*, was so mortified by what James said about it that he gave up writing novels altogether. Of one of Walpole's novels James wrote: "... the whole thing is a monument to the abuse of voluminous dialogue, the absence of a plan of composition, alternation, distribution, structure, and other phases of presentation than the dialogue—so that the line (the only thing I value in fiction etc.) is replaced by a vast formless featherbediness—billows in which one sinks and is lost."

Panache with the pen

COLLECTING
JUNE FIELD

[P]RIMITIVE men carved messages on stone with a hard point. Eventually, to make the operation easier, the surface was waxed, and the "style," a rude version of the first pen, was used to form letters. With the invention of papyri and parchment, the style evolved into a sort of spatula which was dipped in a liquid and applied as a painter puts paint to canvas. In China the brush took over from the spatula, and the quill came to the West.

"The pen wherewith thou dost so heavenly sing
Made of a quill from an angel's wing."

rhapsodised the 16th-century poet Henry Constable over the quill, which was in general use until about 1840, with Joseph Bramah patenting a cutting device for a quill nib in 1809.

The earliest recorded steel pen was believed to be in 1780, credited to John Harrison, a small-time metal worker in Sheffield, although it did not come into general use until the 1820s. The first machine tool for manufacturing steel penholders and nibs was devised by John Mitchell around 1822, while mass production was introduced by Joseph Gillott two years later. The hole in the nib above the split to ensure a regular flow of ink was patented by James Perry in 1830, whose firm was also responsible for Perrymania Limpid Ink. Sampson Morgan and Co., manufacturers of portable quill pens and silver holders, also produced propelling pencils, called "Patent Ever-Pointed Pencils," advertising: "The Black Lead not inclosed in wood, as usual, but in a Small silver tube ... the diameter so nicely proportioned as Not to Require ever to be Cut or Pointed," warning that "Attempts have lately been made to impose upon the Public an imitation of their Patent, in which the Lead being attached to the propelling wire ... it is therefore in constant danger of breaking."

The full story of steel pens and pencils has yet to be gathered because complete documentation is thin on the ground. "Pens are an esoteric object that still need a lot of research," considers James Lowe, head of Bonham's silver department, who has been cataloguing a fascinating assortment of 97 pens, pencils and other writing impediments for a sale at its Montpelier Galleries in Knightsbridge on Tuesday, March 21. The collection belongs to a High Court judge who has been getting it together over the past 20-30 years, meticulously entering each item in a loose-leaf book with as much information on design, date and marks as could be gleaned from the pens themselves. Dating from about William IV to the 1920s, the collection is expected to make £1,000-plus overall, with individual items in precious metals in the £20 bracket.

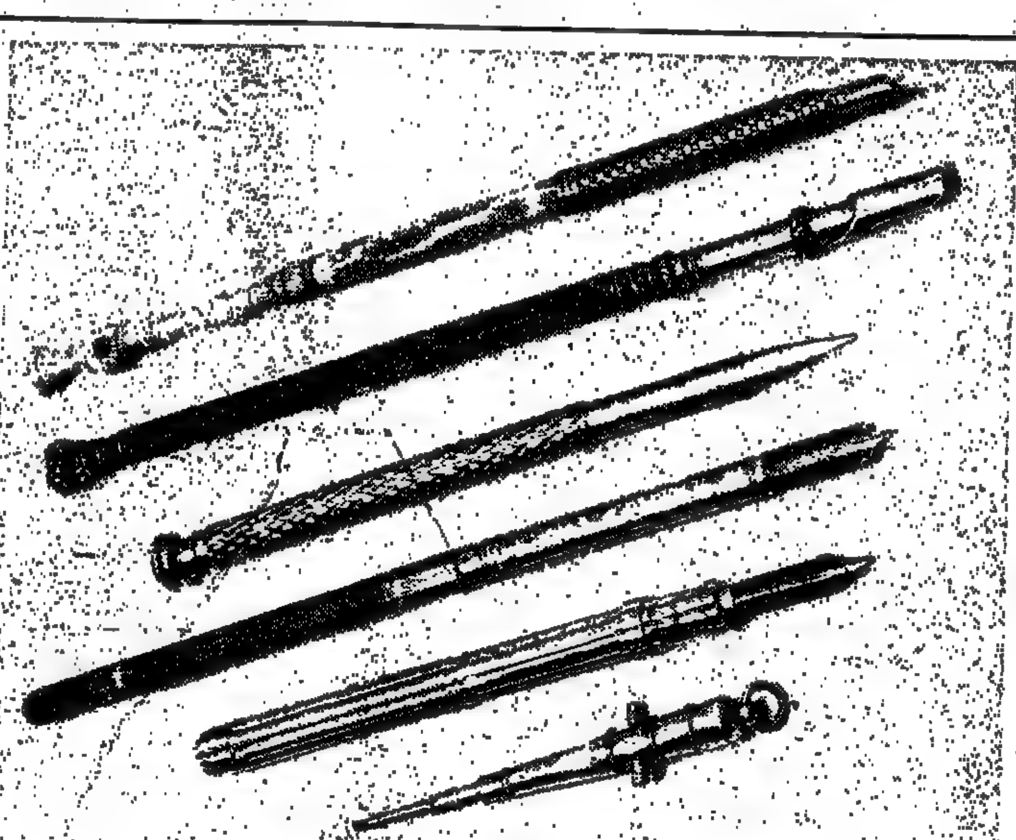
The "dip-pens" have holders of silver, gold, hardstone, tortoiseshell and mother-of-pearl, with two in ivory with little photo-insets of views of Brighton and Weymouth, while another has a metal-mounted glass body filled with multicoloured sands, presumably from Alum Bay in the Isle of Wight. Other pens double as paper knives and rulers, some have matching seals, and there are a couple of plastic-bodied fountain pens.

Since Christie's South Kensington sale of fountain pens in January, when 340 belonging to American writer Richard Leigh went for £950 to a South Molton Street dealer, more have come in for a sale at Christie's South Kensington on Thursday, March 16.

The origin of fountain pens is more readily traceable, Bartholomew Folsch in 1809 being credited for inventing the first pen with an ink reservoir, while a quill pen with a reservoir was devised by J. H. Lewis in 1819. A great variety of patents are recorded around this time, but the first fountain pen proper is claimed as the brainchild of an American, Lewis Edson Waterman (1837-1901). Three times married, and variously a teacher, lock-seller and carpenter, he began selling life insurance in 1862. The story goes that in 1884, in the course of signing up a prominent businessman for a hard-won hundred thousand dollar policy, blots of ink ruined the contract. By the time Waterman had returned with another document a rival had stepped in and pinched the sale!

Our luckless hero immediately rushed off to make with his own hands a spill-proof pen which he christened "Regular," so creating what he termed the first fountain pen, an improvement over any other types because of its special ink-feeding device. From 1884-87 Waterman organised and operated the Ideal Pen Company, which was incorporated as L. E. Waterman and Co., of which he remained president and manager until his death. To-day Waterman Pens (U.K.) Ltd. is part of an overall French concern, and the company's collection of old pens is in their archives in Paris. One of the most useful must surely have been the Prohibition pen of 1921, which looks to me as if it had a secret container, and caused a Mr. A.C.P.N., Chicago, to declare: "My Waterman's pen keeps me in good spirits." Hilaire Belloc, who is supposed to have written *The Gorindin* with one of the company's "Gold Sheraton Pattern 1924," was even more fulsome in his praise: "The pen is of pure gold, as was the throne of Charlemagne, in the Song of Roland."

For those with the patience to research, the trade and exhibition catalogues of the 19th century will provide a mass of information. Joyce Irene Whalley in the excellent *Writing Implements and Accessories—From the Roman Stylus to the Typewriter* (David and Charles, £5.50, 1975), took immense pains to track down and study the right sources. In her first-class bibliography she lists Henry Bore's *The Story of the Invention of Steel Pens, with a Description of the Manufacturing Processes by Which They are Produced* (1890), J. P. Maginnis's "Reservoir, Fountain and Stylographic Pens" in the *Journal of the Royal Society of Arts*, 1905, and "Pencil Making at Keswick," in the 1854 *Illustrated Magazine of Art*.



Selection of pens and pencils dating from William IV, from the collection of a High Court judge, in Bonham's silver and plate sale on Tuesday 21 March.

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1766

EXPERIENCE AND EXPERTISE

Ekoi head-dress, 12½ in. (31.7 cm.) high. Sale, Wednesday, March 15.

That the mask shown in the photograph here is a personification of beauty is obvious, but less obvious are the materials used. Over a base of carved wood is steamed and stretched the skin of an antelope (it is said that human skin was sometimes used): the hair, dressed in small clumps, is represented by detachable wooden pegs, and the scarification and face painting is drawn in black pigments. It would be worn on the head, tied by a string beneath the chin of the masquerader who wore a cloth or knitted string costume which he could see through. Such masks are worn by the Ejagham or Ekoi tribes in the Cross river region of Nigeria and the adjacent part of the Cameroon at funerals, *rites de passage* and when public entertainments are required. They are used by dance groups, age sets and associations of warriors and hunters connected in the past with human sacrifice and head-hunting. They are still made in a few areas, but the present example was collected and brought to this country at the beginning of this century.

The Tribal Art sale at 10.30 a.m. on March 15 includes masks and other carvings not only from Africa, but also from the South Seas, artefacts of the North American Indians and Pre-Columbian pottery. For further information on this sale and other sales of Tribal Art, please contact Hermione Waterfield at the address above.

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Saturday March 4 1978

More dollar trouble

IT HAS been another dismal week for the share market. One specific reason for this week's performance has been the very sharp drop in half-year profits reported by EMI. A more general reason has been the downward revision of hopes about the economic prospect and the Chancellor's scope for reviving the economy in his coming Budget. The usual flood of pre-Budget forecasts and recommendations is coming in and the range of opinions expressed is quite wide. On the whole, those most interested in gilt-edged are nervous that Mr. Healey will stimulate the economy too much and bring back rapid inflation; those most interested in industrial equities fear that he will not stimulate home demand enough to make up for the likely drop in export profits. He himself told the NEDC meeting on Wednesday that a significant stimulus would be needed to achieve the 3½ per cent. growth rate predicted earlier in the year but seemed uneasy about the ability of the economy to cope with a rapid expansion.

Besides its purely domestic concern, the stock market must be influenced by the gloomy state of Wall Street. There, too, the predominant fear is that the economic recovery will not be maintained as long as originally hoped. But the latest price index has worried investors who have had to put up with another week of uneasy speculation about the dollar.

Co-operation

It was the present state of the foreign exchange markets which induced Mr. Harold Lever to inform a banking conference at the beginning of the week that some way would have to be found of restoring the international co-operation which functioned in the monetary field for the 20 years after the war. Without that, he said, the existence of balance of payments deficits which were tiny in comparison with world production would lead to protectionism and mutual injury to all concerned.

An attempt was made this week to dispel the acrimonious atmosphere which has been upsetting relations between the U.S. and Germany in particular. The U.S. case, which the Germans have been unwilling to accept, is that these two countries together with Japan should seek to bring about a general revival in world trade by further stimulating their economies. The publicity which this disagreement has attracted is neither diplomatically useful nor settling to the foreign exchange markets, and an attempt is now to be made to move forward in a different direction. Senior officials of the Organisation for Economic Co-operation and Development have reached broad agreement that responsibility for reviving world growth and trade should not lie on the three strongest economies alone but that others should assume a share of the burden.

Oil price

What so vague an understanding means in concrete terms remains to be seen. The officials had no power to commit their governments, and their main object was to prepare the way for a Ministerial meeting of the OECD in June and a Western economic summit meeting in July. There does now seem, however, to be rather more hope that the Ministers will be able to agree on something and that the summit meeting will amount to something more than a slanging-match—which would do nothing at all to help an international financial system which needs all the help it can get.

Even while the OECD meeting was going on, in fact, the dollar was in further trouble. The Swiss, who took measures to discourage the inflow of foreign funds (French francs as much as U.S. dollars) last week, took further measures this week—banning stock purchases by foreigners, extending the negative interest rule on foreign deposits and making it apply to central banks as well as private citizens. But what helped the dollar last week was without *effect this week*. The Swiss measures were more than offset by the fact that the Germans, who had been expected to take similar action, did not; by some ambiguous remarks by the German Economics Minister about the dollar/mark exchange rate; and, above all, by a warning from Kuwait that, if the decline in the dollar continued, she might call for a special meeting of oil producers to protect their earnings by raising the dollar price of oil.

It was at this point that President Carter intervened by declaring that the foreign exchange markets had got it all wrong. Such interventions usually have much less effect than intended. If anxiety about the dollar persuades Congress to take prompt action to control oil imports, however, the President may still turn out to have been right.

Fish'n'chips ain't what they used to be

BY JOHN LLOYD

HENRY MAYHEW, the chronicler of London's working, and out-of-work, classes (*London Labour and the London Poor, 1861*) was not the first to mention the fried fish trade in print. It was probably Charles Dickens. But Mayhew was the first, in this as much else, to put the trade into its social context.

"The *fried fish sellers live in* some out-of-the-way alley, and not infrequently in garrets, for even among the poorest class there are great objections to their being fellow-lodgers on account of the odour of the frying." Mayhew went on to report an informant telling him of the trade's preferred locations: "A gin-drinking neighbourhood suits best, for people haven't their smell so correct there."

The historian of the trade, Mr. Gerald Priestland (now the BBC's religious correspondent), writes in his informative and entertaining book *Frying Tonight* (1972) that sellers of fish and sellers of chips were orig*inally* separate trades. The two commodities were probably brought together by the eating experiments of customers, then through the initiative of an Oldham tripe dresser named Dyson, who commissioned the range-making firm of Nuttall's to build him a range for frying the fish and the chips in the 1860s.

Fish and chip traders do not like to linger on the origins of their trade. They will point out, rightly, that Victorian catering for the poor was, in general, a risky business for the customer: and that rising standards of cleanliness (much improved by the replacement of coal by oil or gas as the fuel for the range) affected fish friers as well as others. In the course of time, and especially in the course of the last world war, fish and chips were found to be nutritious. By that time the trade had been organised by the National Fish Friers Federation and if not a power in the land, it had at least severed its connections with gin-drinking neighbourhoods.

What, then, of the trade to-day? Most people have opinions about fish and chips and they seem to agree that they are not what they were. Prices have gone up, and the traditional chip shop is changing. My research suggests there is good reason for this hankering after the old chips, and it is borne out by the assiduous work being conducted by Sue Haslam, of the Acumen Marketing Group.*

Are fish and chips much more expensive? Yes, they are. The fish friers' turnover for 1977 was around £275m., up from £160m. in 1973, the rise being almost wholly due to price increases. The enormous *rise in the cost of potatoes* has been the greatest contributory factor: up to a high of around £6 for a 56 lb bag in 1976.

The cost has now dropped sharply to around £2: but in the meantime the cost of fish has doubled. Fish friers' prices have not, by and large, come down: they say that they did not adequately reflect the potato price rises, and that friers must now recoup, as well as take account of the extra cost of fish.

Regional variations are large. In the north of England, you can get a fish supper for as little as 30p (though the fish will be small). In the south, it's more likely to be between 60 and 70p. The Price Commission monitored fish and chip prices recently, and found no evidence of overcharging.

Increase in the South

Have fish and chip shops changed? Yes, they are doing so, although the process is gradual. The number of fish and chip shops has dropped from between 11,500-12,000 in 1973 to between 10,500 to 11,000 to-day. The closures tend to be among the small, front-parlour operations, mainly in the North: the only area which shows a net increase of both individual and chain shops is London and the South.

The small shops have often gone out of business simply because they, and/or their customers, could not keep pace with price increases.

Their place is often taken by modern, comparatively large high-street fish-friers, with one new shop replacing two or three small ones.

There is, perhaps surprisingly, little evidence that big business has much to do with the changes. There are only two fish-frying chains with more than 20 shops. One is Friar Tuck (an amalagamation of two smaller chains, Crusoe Fish Friers and High Tide), a subsidiary of Ranks Hovis McDougall, which has 23 shops. The other is Seafarer, an Associated Fisheries subsidiary, which has 22 shops, down from 26 in 1974.

Significantly, most of the Friar Tuck and Seafarer shops are in London or in the South East. There are about half a dozen other chains in the same area with between five and 16 shops: there appear to be very *few in the North.*

This division between the South and the North in fish frying is marked, and may be increasing. Priestland provides a historical perspective: "Between the artisan friers of the North and the more opportunist coster-friers of London, there was an early distinction . . . accounted for partly by the shifting character of London's population, compared with the tendency to stay put around the mills and factories of the north."

To-day, the division is in part perpetuated by there being two trade associations. The oldest, established in 1913, is the National Federation of Fish Friers based in Leeds. In 1972, it split and the rival Confederation of Fish Friers and Caterers Associations was formed, which is strongest in London and the South.

The older Federation is an energetic body, which publishes a highly readable monthly review and runs training courses for new entrants to the trade. But it has a history, is conscious of it and regrets some of the changes in the trade. The editor of the review, Mr. John Sanderson, is young to the trade but equivocal about modernisation: his own most-favoured shop in the country is a front-parlour frier in a back street round the corner from his office.

Mr. Geoffrey Bell, the part-time secretary of the Confederation, is a New Man. With his cousin Peter, he runs seven shops in south London, and is about to acquire two more. The Bells are face-lifting: they showed me a "before" shop — standard 1950s fittings, looking a little weary — and then an "after" shop — with shiny new range, mock-tudor dining area and gleaming exterior.

"Our opinion is that the top end of the market will grow," said Mr. Peter Bell. "The bottom end—the chap who buys fish and chips because he can't afford anything else—will decline. We have to modernise if we are to compete with Kentucky Fried Chicken and the Indian and Chinese takeaways. People tended not to take their girl friends into a fish and chip shop."

A whiff of vinegar: two of the early family and their Denmark Hill shop.

A pinch of new spice: Mr. Peter Bell, joint head of the modern Bell chain.

Are fish and chip shops being squeezed out of the fast food market by more efficient, better financed operators? Yes and no. Competition is fiercest in London, where fish friers have increased, and some of the recent entrants are showing signs of being short winded.

The "Anglo-American Hot Takeaway" sector—as it is classified—peaked at just over 13,000 outlets in 1974, but has less than 900 to-day. Turnover for the sector is only up £5m. in the last four years, from £30m. to £35m.—a rise wholly due to price rises.

Kentucky Fried Chicken, the best-known of the Anglo-Americans, is still expanding. But its rate of growth has slowed from 36 new shops a year to 11. It has about 260 shops to-day. The only other chain of any size is United Biscuits' Bake 'n' Take chain which has declined from 70 shops in 1974 to 40 to-day.

There is, however, real growth in what is known as the "ethnic" takeaways—although the pace of it seems to have faltered. The Chinese have been the most assiduous here. There are some 4,000 Chinese restaurants and takeaways, of which 2,300 are only takeaways —60 per cent. up on 1973. However, the great leap forward for Chinese restuarants was in 1970-75 when they were taking over fish and chip shops, and establishing themselves in residential neighbourhoods.

Indian and Pakistani restaurants and takeaways—of which there are now around 2,000—were growing, too, though more slowly. But possibly the most successful, in growth terms, have been the Greek/Turkish kebab houses, boosted by refugees from the Civil War in Cyprus. Some of these refugees operated Kentucky or other franchise houses, kept the premises when their contracts ran out and transformed them into kebab takeaways. There are now reckoned to be about 1,200 of them, and they have spread from London to cover most of the U.K. except, it seems, the North East.

Are fish and chip shops now all run by foreigners? An increasing number probably are. The *Fish Friers' Review* for last month notes the election of "Messrs. Leong, Mastoras, Poole, Pye, Santi and Shields" to the executive of the Chester Fish Friers' Association, and comments: "Does any other Association or Branch of the Federation possess such a unique representation—a committee made up of an Englishman, a Scotsman, a Welshman, a Greek, an Italian and a Chinese?" Look out for next month's review for replies.

Foreigners have a long and honourable history in the trade, the Italian friers of Scotland probably being the largest and most homogeneous group. Federation records show almost *all* its members in Scotland are Italian.

Glaswegian frier

Mr. Lorenzo di Ciacca, a successful Glaswegian frier, puts it down to native poverty and emulation: "One came here, found he could make a good living, went back to Italy, told his relations, they all came."

Mr. di Ciacca's father founded the family business in the early 1920s. His brothers had taken the more traditional route to America and, discouraged by the activities of the Mafia, returned to Italy. Mr. di Ciacca senior obviously considered Rangers' supporters a more manageable risk, and opened a shop in Glasgow's Shettleston Road.

Mr. Lorenzo di Ciacca was in the business part-time when a child, full-time on leaving school at 14. Now in his early 60s, he has a large house in a pleasant suburb. The family has six shops in Glasgow, and a brother has opened up in Edinburgh. There are no signs of the dynasty weakening: "I offered my sons an educ[ation] but they preferred to us[e their] intelligence, now they're [...] and chips with me."

Is Harry Ramsden's the [...] *fish and chip shop in the w*[orld]? Harry Ramsden's says [...]. Begun in the 1920s in a [...] in the shadow of a mental [...] the man who gave it its [...] soon constructed a gra[nd] building across the road, [...] it still is, about 15 miles [...] *of Leeds on the Ilkley roa*[d].

Architecturally, it's a [...]mare. It has a late American motel exterior, *Harry Ramsden's* in fi[...] script on the front, and *Best Fish and Chip Shop i*[n the] *World* underneath. Inside, British restaurant decor [...]plete with stained glass win[dows] suggests the atmosphere [...] shrine.

Ramsden's is no longer [in the] care of its founder. In [...] Associated Fisheries boug[ht it] and now it is the jewel [in the] chain. Mr. Tony Bramwell [...] manager, is naturally in[sistent] that the quality is as hi[gh as] ever. Mr. Sanderson of the [Fed]eration thinks it's slipped [...] then he would, because [Rams]den's is a member of the Confederation. The produ[ct is] certainly delicious, if com[para]tively expensive—£1.38 for [...] dock and chips— and there [is no] *doubt* it's popular. Long-dis[tance] coaches veer off the M[...] feed their customers there.

Are fish supplies adequ[ate]? At present, yes, although a[t the] height of the cod war there [was] much talk about blue wh[iting] coming in as a substitute [for] cod. Tests are going on at Torry Research station in A[ber]deen to determine whethe[r or] not the fish can be "rebuil[t]" that is shredded, and made [into] reasonably-sized portions, [...] as is done with fish fingers. [The] problem for the moment is [that] in its unreconstructed state, whiting is too boney, and [when] "rebuilt," it tastes horr[ible]. Besides, the urgency, for [the] moment, has gone.

* *Sue Haslam's two years of re*[search] *will be embodied shortly in a* [...] *market research document for the* [...] *ing trade to be called "A Study o*[f the] *British Retail Catering Market."* [...] *£550.*

Letters to the Editor

Punishment

From Mr. C. Radmore

Sir,—Joe Rogaly's article "The politics of crime and punishment" (February 28) is full of contradictions and his contorted attempts to justify a point of view to which he was obviously already wedded do not enhance his reputation as a serious commentator on social issues.

He cautions us against the demagogic use of dubious statistics (although he does not tell us when a statistic becomes dubious) and then proceeds to base his article on statistics. He proceeds to draw comparisons between recorded crime statistics in the United States and the U.K. and then accuses politicians who associate our condition with the U.S. of misleading people.

Finally in three paragraphs he castigates the Conservative party for having the temerity to discuss "law and order" issues in public and baldly asserts that the Home Secretary is right to say that a change in Government would produce no change in policy giving no reasons other than (presumably) a personal prejudice.

It has been said many times, but is none the worse for repetition, that the most effective deterrent to crime is the certainty of being caught. To that end, any government which places public safety at the head of its list of priorities should, as a priority, improve substantially the pay and conditions of the police force especially in the Metropolis and ensure they are working with the most modern equipment available.

A thorough review of the workings of the Children and Young Persons Act 1969 should be undertaken with an eye to reversing the increasing trend of juvenile offenders to treat the courts in an off-hand and flippant manner.

As has been suggested by a group of Conservative lawyers, there should be a move away from lengthy custodial sentences towards short, hard-regime sentences.

A change of Government will obviously not bring overnight changes but the attitude of the public, many of whom are afraid to open their doors at night or are afraid of being attacked in broad daylight, is now such that the more "soft" politicians like Mr. Rees and muddled journalists like Mr. Rogaly try to sweep the issue under the carpet, the louder people are going to shout. Like immigration, law and order is not a subject that the Conservatives will try to turn into an election issue. It already is an election issue because the voters choose to make it so.

Christopher Radmore,
Holborn and St. Pancras South Conservative Association,
26 Argyle Square, WC1.

Silence

From Mr. J. Dews.

Sir,—Reflection on the present situation leads one to the disturbing conclusion that this country is heading for a Left-wing totalitarian takeover.

There are two incontrovertible facts to be faced:—(i) The days of cheap fuel are over, and therefore (ii) a lower standard of living will have to be accepted. Politicians who hold out any hope of winning the *next Election dare not publicise* (ii) above nor would publication by the Press constitute a selling point to boost circulation.

Unemployment, which has grown since the oil embargo of late 1973 will continue to grow unless some permanent effective action is taken. This can take two forms: (a) work sharing, or (b) the mass injection of funds to create employment in the public sector—further hordes of civil servants to control our lives.

When is action going to be taken on (a) to avoid (b)?

John Dews.
18, Westminster Road,
Stoneygate,
Leicester.

Lofts

From the Secretary General Association of British Manufacturers of Mineral Insulating Fibres.

Sir,—Mr. Grayson's letter (February 25) implying that with a sealed "hatch" (trap door), there was no need to add roof insulation, appeared to suggest that draughts coming down from the roof were the main problem.

Insulation, which should be at least 100mm. (4 inches) thick, laid between ceiling joists (and on top of the trap door) is necessary to reduce to the economic maximum the heat lost from a heated home into the roof space—a saving compared with an uninsulated ceiling of up to 87 per cent. with a normal tiled, felted roof. Not only is this economic sense but also a vital energy conservation measure.

What must not be assumed by your readers is that ventilation in the roof space itself should be reduced. Adequate ventilation to British Standard 5250 should be provided in order to protect the timbers.

I. Munro.
64, Wilton Road, S.W.1.

Insulation

From the chief technical officer, the Brick Development Association

Sir,—While refraining from commenting on Mrs. Isherwood's views (February 18) on the suggestion arising from the Advisory Council on Energy Conservation: I should like to clarify her comments on the functions of a cavity wall.

Yes, cavity walls were developed to prevent water penetration. Yes, water will pass through the outer leaf of most cavity walls. The water may pass through the bricks, through the mortar or between the brick and the mortar.

No, it is not lunacy to fill the cavity under the right conditions. If a cavity wall is functioning correctly then when that cavity is filled with certain insulants, such as blown rockwool *or urea-formaldehyde foam*, the wall will continue to resist rain penetration under most normal conditions of exposure. The manufacturers and installers of such products are supported by Agrément Certificates which describe suitable situations for filling cavities; such insulation when correctly installed does not become saturated or allow water to pass across it.

I submit, therefore, that cavity insulation is normally technically sound and that Mrs. Isherwood need have no fears on this aspect of her letter.

Robert G. D. Brown,
Woodside House,
Winkfield,
Windsor, Berks.

Draughty

From Mr. A. Russell.

Sir, — Mr. Grayson imagines he *has* discovered a miracle method of insulation for roofs (February 25) in the form of draughtproofing and ceiling paper!

May I implore your readers to ignore his dangerous fantasies lest they start dry rot in their roofs which might spread throughout the house and cost many hundreds of pounds to eradicate.

What is needed is a draughty loft with plenty of ventilation at the eaves and at least 100 mm (4 inches) of mineral wool between the ceiling joists—except, of course, immediately under the *cold water tank*, which should also be boxed in and insulated.

Alistair Russell.
42, Ravenscroft Avenue, N.W.11.

Land

From Mr. T. Holdcroft.

Sir,—Mr. V. Bradley (Feb. 20) is right when he says that high land values can only be harmful in the long term. While it is correct that building is the first and obvious victim of this trend the whole of the economy of the country is steadily increasing land values which are largely privately owned.

Of course cheap credit brings more potential buyers of sites for homes, industrial and commercial site-use (not to mention agricultural land). The printing of additional money inflates all economic values. What we should be primarily concerned about is the permanent basic factor that unimproved land values are community-created and should be channelled into local and national exchequers in lieu of present taxes on production and service. Johannesburg, has been re-built twice in 82 years. Here site (land) values have been rated (or "taxed") thus land holders are encouraged to develop sites to full potential so cancelling inner-urban blight.

The salient factor is that land and labour (mental and physical) are the prime factors of production. Should we treat land values as common property, holders of unused and under-used sites (pieces of land) would be stimulated into using the sites or letting them go to whoever could use them in return for paying the commercial rent, which would not penalise improvements. Employment is the application of labour to land, so land value taxation (site-value rating) is the key to full employment.

How our chests would swell with pride if we thus released our great potential of land and labour and gave up subsidising the involuntary unemployed as well as the undignified crawling to international finance sources!

T. F. Holdcroft.
20, Monaco Place,
Newcastle, Staffs.

Directors

From Mr. O. Lee.

Sir,—In the February 24 Lombard column, Anthony Harris seems to have fallen considerably below his usual standards of analysis and constructive comment. My reaction is probably coloured by what I hope was a sub-editor's title—"Putting a monkey on the Board." This is somewhat insulting to existing non-executive directors and is not exactly complimentary to the CBI, Institutional Shareholders' Committee and Institute of Directors who have advocated more use of outside directors.

I have doubts about the details, but not the fundamentals of proposals from these bodies. My concern is that the CBI and IoD seem to view their own proposals as being mainly educative for the non-executives in order to benefit their employing companies who are being encouraged to take in one anothers washing at top level. What is needed are more non-executive directors who can educate existing boards and chairmen. Of course, I do not mean this literally, but a good non-executive director must not only be able to make a significant contribution to normal Board decisions, but must, if circumstances demand, be willing to rock the boat with *the aim of getting his Board to* face up to unpalatable facts. Most corporate troubles arise because the Board and particularly the chairman have not been willing to face up to a deteriorating position in good time.

I propose a Guild of Non-Executive Directors who are completely independent (uninfluenceable through lobbying from power groups) and who subscribe to a published code of conduct which involves them in resigning their directorships in specified circumstances. They would agree to give specific explanations to the Press for their actions. The publicity given to such resignations should exert sufficient pressure to make companies mend their ways and alert all investors without there being any possibility of insider trading.

O. R. J. Lee.
Cresta, 5, West Side Common,
Wimbledon, S.W.19.

Unarguable

From Mr. R. Instone.

Sir,—One of the oddest contemporary malapropisms is the use of "unarguable"—a term favoured by lawyers for abusing the other man's case—to mean "incontrovertible," its exact opposite.

The Leader of the Greater London Council declares (February 23) "That London has more to offer than any other city in Europe (let alone in Britain) is unarguable." The majority of Europeans, especially non-English ones, will no doubt agree with this statement. But does it mean what Mr. Horace Cutler meant it to mean?

Ralph Instone.
13, Old Square,
Lincoln's Inn, W.C.2.

The Government has countless schemes to help the low paid maintain their standard of living. Who's going to help you maintain yours?

We could, at Allied Hambro.

We've been helping people like you protect your capital and savings against inflation for some forty years now.

(Indeed, we were one of the pioneers of the unit trust movement).

And the records show we've had more than our fair share of success with our policy of aiming for consistent, above average investment performance.

Take our High Yield Fund for example. Between July 1974 and December 1977 the cost of living rose 72%. Those who held those units saw their gross income from this fund rise by 78%.

We wouldn't like to imply that we could always repeat that performance, nor that it solved all the financial problems of the unitholders concerned.

But it does show how our range of funds and schemes could give your capital a chance to fight back against inflation.

While we'd like you to join us, we'd rather you first sought the impartial and expert advice of your professional adviser.

If he thinks we're the right unit trust group for you, then perhaps we can get together and help you.

For it's jolly unlikely the government will.

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هكذا من الأصل

The spectres haunting house prices

BY MICHAEL CASSELL, Building Correspondent

THE GOVERNMENT'S obsession with the spectre of rocketing house prices has finally forced it to step in and clip the building societies' wings.

Its insistence this week that the societies' mortgage lending programme should be artificially restrained at a time when they have never had more money available to lend is already being described by critics as a massive over-reaction and an entirely unnecessary panic measure.

The building societies and the house builders are angry at what they are convinced is misguided Government intervention. Neither can the potential home buyer be expected to welcome the news once it is clear that mortgages are becoming more difficult to get.

The Government, however, is committed to ensuring that house prices do not run out of control, as they did six years ago when the average cost of a home rose by nearly half in 12 months.

Ministers are gambling—in what is likely to be an election year—that the promise of house prices rising at only a gradual rate, keeping home ownership within the reach of more people, will override complaints that mortgage money is being held back.

Opponents of the move feel the Government has made a major miscalculation and that people would rather face paying higher prices for their home—as they are now apparently ready to do—than find themselves unable to buy one at all.

The critics add that the additional numbers of people helped to achieve owner occupation through a dampening down of prices will in any case simply be offset by the numbers unable to get a mortgage because of the new cut back in the supply of housing finance.

But what annoys the societies in particular is the assumption, implicit in the Government's action, that it is primarily the volume of mortgage lending which dictates the movement of house prices.

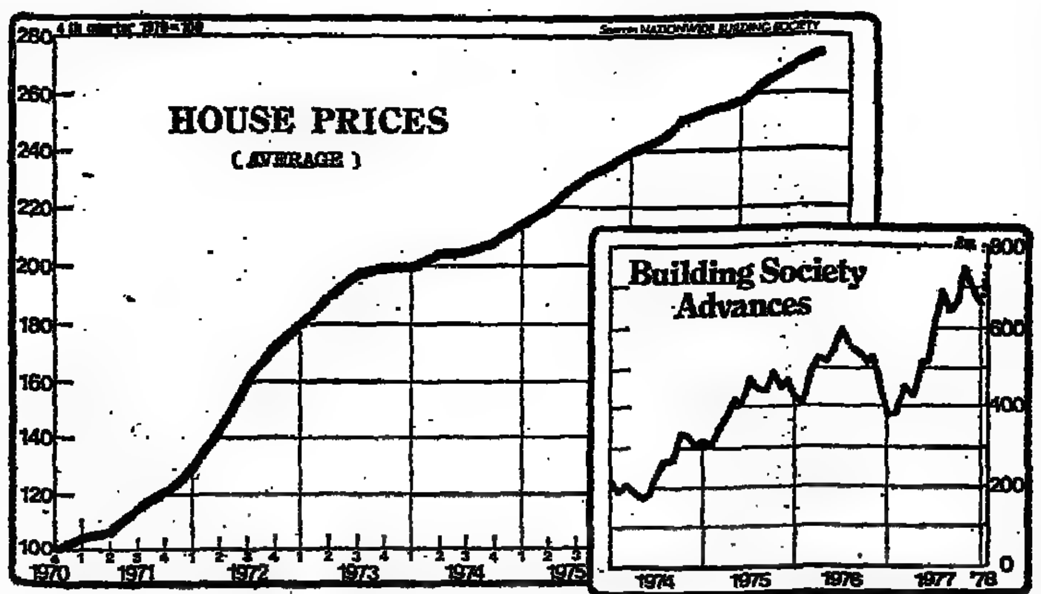
Wider factors

High mortgage lending and spiralling house prices have been regarded as the corollary of each other since the two phenomena occurred together in 1972 and 1973, but the societies do not accept the theory. They have consistently pointed out that no amount of mortgage finance can trigger off rocketing house prices unless wider economic factors are brought to bear on the situation.

Their case is well demonstrated by the fact that the largest ever mortgage advance programme in the U.K. was accompanied last year by what amounted to virtually stagnating house prices.

But even if the Government accepts the societies' argument it now apparently thinks that all the factors for sharply rising prices do exist and that it can defuse the situation by rationing finance, and ensuring that the full extent of housing demand is not allowed to become effective. The societies believe Ministers could be storing up more problems than they believe they are solving.

At the centre of the Government's controversial action are figures which Department of the Environment officials put before the societies at a meeting last week. Originally from the societies themselves, and supported by other evidence from valuation experts, the figures showed that, after four uneventful years, house prices were beginning to advance fairly rapidly.



According to the DoE, average prices for new homes during the December-January period were rising at an annual rate of 19 per cent. against the 6 per cent. figure recorded in the middle of 1977. At the same time, average prices for second-hand homes were increasing at a 14 per cent. annual rate against 8 per cent. six months earlier.

Ministers were clearly startled and could no longer say there was only anecdotal evidence to suggest the market was moving. Their January agreement with the societies that £720m. a month could be injected into the housing market without upsetting things was already looking questionable.

Mr. Reg Freeson, Minister of Housing and Construction, had, only a few days before last week's meeting, gone on record as suggesting that average price rises for the year would be contained to about 10-11 per cent.

His action was apparently an exercise in psychology to try to calm the market down, undertaken in the knowledge that something less than a stable situation was already developing.

The chances of the Government stepping in and saying "enough is enough" have been present for some time, ever since the societies' mortgage commitments, as opposed to their actual lending, began creeping towards the £800m. a month mark in the latter part of 1977. A year before commitments had been running at around £450m. a month.

The societies knew that the Government might be tempted to apply their brakes for them at any time, although no action was expected so early on in the year.

Their reaction to the latest situation, basically one of annoyance but of resigned acceptance, has been formed after a quick assessment of both the political and economic considerations, the basis on which all their decisions must be based.

They believe they have a very good case for opposing any further intervention in the housing finance market at the present time (even current lending levels reflect an element of self-imposed restraint) but they also know that failure to comply could bring nearer more direct Government control over their affairs.

Neither are they prepared to take the risk of being blamed if, however unlikely they consider it to be, prices really did take off.

The societies emphasise that house price rises have been sluggish for over four years—the average increase in 1977 was 8 per cent.—and that increases on a greater scale are acceptable and positively necessary if new homes are to be built.

Prices, they point out, are still too low in relation to retail prices, earnings and the mortgage rate and a realignment has for some time been inevitable.

There is no doubt that the consistent fall in the cost of mortgage finance, from 12¼ per cent. at the start of 1977 to 8½ per cent. now, has been a major factor in stimulating the market. As one building society executive explained this week, the average advance at the beginning of last year was £8,400 and for the same mortgage repayments a house buyer could now borrow £11,150.

But the societies still believe there is no cause for panic and point out that there is no evidence in their hands to suggest that prices are moving ahead rapidly right across the board. They emphasise that the rather dramatic increase in the price of new properties now being experienced in some areas has only a minor effect on the total housing market and represents no more than 15 per cent. of their total lending.

To the builders, however, the prospect for prices in the new house sector is the most essential consideration and they have wasted no time in writing to Mr. Peter Shore, Secretary for the Environment, warning him that the revival in housing output could be snuffed out by the Government's action.

The builders suggest the sharp increases in prices being reported represent a once-and-for-all market correction after a long period in which house prices have fallen in real terms but in which building costs have almost doubled. Further rises are therefore essential, they say, if the economics of housebuilding are to be re-established and builders step up output.

Mr. Ian Deslandes, Director of the House-Builders Federation commented: "The immediate result of any cut in mortgage lending would be that housebuilders' confidence would be hit just at the time when it is starting to recover after four exceptionally bleak years. Private housing starts would be much lower than would otherwise have been the case, and we would be back again in the stop-go situation which has bedevilled our industry for so long."

The builders also believe, along with many of the building societies, that far from restraining increases in house prices, a cut in mortgage finance could precipitate a sudden increase in the demand for houses and loans because of fears of future shortages.

As far as second-hand prices are concerned—the key to the whole market—the societies do not believe that the sort of annual rate of increase now showing up is cause for intervention of any type.

Closer control

But despite the initial readiness on the part of some societies to stand firm on the issue, political considerations — more bluntly, their fear of closer Government control over their affairs—have played a major part in their reaction.

Their longstanding desire to keep Ministry officials at arms' length has usually ensured that the societies have been careful not to ignore the views of those people who could make their lives potentially more difficult. Compromise rather than confrontation has been the keynote and this approach can be expected to continue.

As for the societies' own operating position, the money which will now be held back—expected to be something less than £100m. a month—will for the time being at least be invested elsewhere, probably in short-dated gilts.

The move will help maintain the societies' strong financial position and serve to highlight the irony of a situation in which the full benefits of their unprecedented success will not be allowed to be passed on to their customers.

Of one thing the movement seems fairly certain; the additional surplus will not create sufficient pressure for the societies to reduce interest rates yet again in an attempt to cut off the inflow of new money. They point out that, in any case, the intake of funds has begun to fall back.

The volume of mortgage money being withheld from the market will not be large enough to justify a further trimming of rates and it is clear that still cheaper mortgage finance would only add to current inflationary pressures.

In the coming weeks, the societies face the tricky task of implementing what is effectively a Government directive that can only lead to lengthening mortgage queues.

They will be anxious to emphasise that the effects of the lending cut-back should not be too dramatic and that they will still be lending more in 1978 than during 1977.

The societies will, however, only be prepared to act as a buffer between the Government and an unsatisfied public for so long. If, as they suspect, the reduction in mortgage availability has no apparent effect on house prices—or only serves to exacerbate the situation—they will be back at the Department of the Environment calling for an end to what most of them regard as a rather clumsy attempt to influence market forces.

Weekend Brief

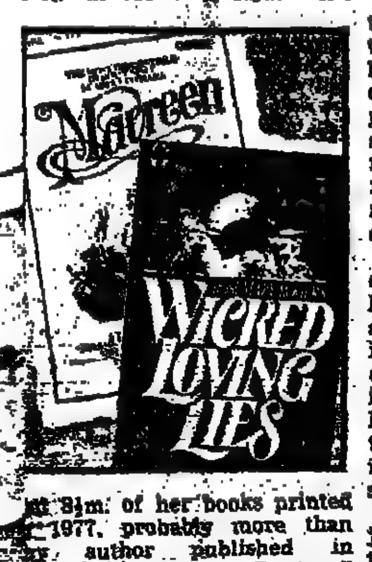
In Britain and America hot breath is once more burning on heaving (but covered) bosoms. The romantic novel is making more than a comeback, it is sweeping recent best selling lines such as horror and science fiction from the shelves.

Book lovers

It would seem, in spite of the sexual revolution and the women's liberation movement, that many women are not averse to picture themselves as chattels and sex objects. A new brand of the women's romantic novel is now running in heady rivalry to the old romantic novel which is still flourishing in the U.S. as in Britain.

Barbara Cartland, long hailed as the world's most read novelist where the heroines are all virgins, has 40m. of her books in print in the U.S. alone.

Stuart Applebaum, publicity manager for U.S. Bantam Books, whose sister company is Corgi in the U.K., says: "She



got 3½m. of her books printed in 1977, probably more than any author published in America, certainly for Bantam."

Georgette Heyer, the Regency romance queen, had over 1m. of her books printed by Fawcett in 1977. The new genre known as the erotic historic romance, called by the cynics the hysterical romance, no longer portrays the heroine as a delicate flower of femininity given to swooning at the mention of a kiss.

Our new lady is normally thrown out into the world through a series of unfortunate circumstances and proceeds to be kidnapped, raped, ravaged, sold into slavery, prostituted, sometimes beaten, and generally sold down the river in every imaginable way while travelling thousands of miles across continents, oceans, mountains and noticeably untraversable terrain in pursuit of her true love.

But the old and the new have one very pertinent point in common. Through all these experiences, the reader is not treated to any but the most-flown descriptions and these are never in any way explicitly sexual. No X-rate language is allowed.

These books are definitely for general audience, and are marketed for the casual reader who buys her books in drug stores, dime stores like Woolworths and the book rack near the subway, and then reads them mainly on the ride to and from work.

Women's names are predominantly in the titles with a Mediterranean flavour of dark-eyed passion, names like Liliane, Madelaina, Rafaella, Shanna, and Odile ("she followed her destiny born of desire into a world of scarlet pleasures").

They are also named by specific phantasy: *Lace-defiant Prisoner, Love For Ever More, Sweet Savage Love, The Flame and the Flower.*

The art on the big historic is intensely romantic, usually a painting of an embracing couple in the costume of the period, the book portrays surrounded by warm colours with the title in large script.

The back cover gives pertinent geographical and historical information. The hero hasn't changed much, usually a dark dashing powerful passionate scoundrel, the black sheep of his noble family or a ruthlessly ambitious man on the rise with "a hint of cruelty around his hard blues eyes or sensuous mouth."

She hasn't changed much, either. A beautiful voluptuous high-spirited woman who is also opinionated but not very introspective. The main difference in her at long last is that she is able to adjust to her circumstances and given that these are generally intolerable, we may add, stubborn.

If these novels seem to be a joke and many people read them for their obvious camp value, one place they are not laughing except for glee is in the accounts department of Avon Warner Bantam and Dell Books. These books generally sell for two or three dollars and run, if popular, to a million imprints, making this new book category a big business in American paperback book publishing.

THE ROMANCE LEAGUE

Wicked Loving Lies, Rosemary Rogers (Avon), 3.1m.
Dark Fires, Rosemary Rogers (Avon), 2.88m.
Sweet Savage Love, Rosemary Rogers (Avon), 2.73m.
The Flame and the Flower, Kathleen Woodiwiss (Avon), 2.6m.
Loves Tender Fury, Jennifer Wilde (Warner), 2.5m.
The Wolf and the Dove, Kathleen Woodiwiss (Avon), 2.29m.
Shanna, Kathleen Woodiwiss (Avon), 1.84m.
Moonstruck Madness, Laurie McBain (Avon), 1.8m.
This Loving Torment, Valerie Sherwood (Warner), 1.5m.
Dawn of Desire, Joyce Verette (Avon), 1.5m.
Marreen, Claire Lorrimer (Bantam), 1.5m.
Savage Surrender, Natasha Peters (Ace), 1.3m.
Liliane, Annabel Erwin (Warner), 1.23m.

U.S. book figures Permission New York Magazine.

More screen gems

It was a bit like the sixth form being dragged before the Governors when the heads of the Independent Broadcasting Authority faced a sub-committee of the Select Committee on the Nationalised Industries earlier this week. Pushed hard to give some details of the row that has patently been raging between the IBA and the Treasury of late, those two one-time educationalists who now control the Authority's fortunes, chairman Lady Plowden and director general Sir Brian Young, seemed determined not to tell tales out of school no matter how nasty the bullies were being behind the bicycle racks.

What eventually emerged was that the Treasury has been trying to grab the IBA's cash or, as Sir Brian would prefer, "there have been discussions over our surplus." The Authority wants the money to push its UHF signal deeper into those far-away valleys which now only receive the old 405-line signals, if that, and to boost its now thriving if tiny network of commercial radio stations. Having salted away a bit of money it was a bit hurt to find the Treasury eager to snatch it. Play the whole thing down as they might try it is clear that the conflict was no minor one. The IBA's annual report is now five months late and will be published, as the M.P.s are quick to point out, a full 12 months after the end of the relevant financial year.

The problem for the IBA is that these profits come from the rentals they charge the television companies for their franchises. If the surplus starts to be syphoned off by Government then the companies might start complaining about double taxation (or should it be triple, what with the levy and all). In the case of the radio companies the IBA has devised a sneaky little system which should, in theory, keep such cash out of the hands of Whitehall. When radio starts making healthy profits the IBA has a system of additional rental charges. Last year only Clyde paid them, but soon London's Capital, Manchester's Piccadilly and Birmingham's BRMB will be asked for more. The money so raised is this time quickly spent on investment in the arts or other overall improvements of radio material, leaving little in the kitty.

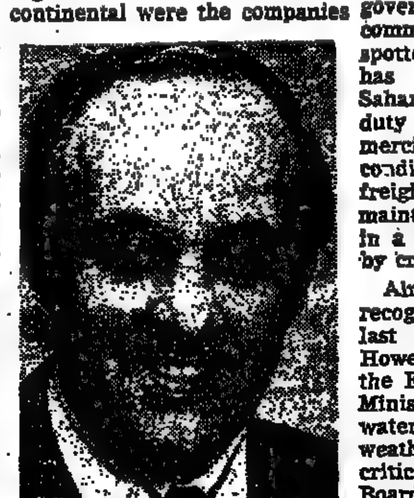
All in all, Government/IBA relationships are at a pretty low ebb. The Authority itself ceases to exist in July of next year unless present statutes are renewed or replaced. This raises the interesting legal problem of companies perhaps entering into contracts when their own contract of operation still has a finite date of expiration. Protests about the position have cut no ice so far with the Home Office Minister responsible, Lord Harris, who shows no signs of urging along the publication of the White Paper on the future of British Broadcasting.

At the sub-committee hearing those sitting near the IBA witnesses were able to hear its director of radio, Mr. John Thompson say to the question, "When will life become impossible for you?"—"Now."

House hunting

Anyone who thought that the great hotel boom in London ended four years ago had better prepare themselves for further shocks. While Sir Charles Forte continues his investment affair with the U.S., the Americans are returning the favour with continued aspirations as far as British properties are concerned. A few days ago Loews Corporation discreetly opened the doors of its recently-purchased Montcalm at Marble Arch; Marriott will soon confirm its acquisition of the massive south bank property that was once the apple of Spanish hotelier Jose Melia's eye but then turned sour; and in the Brussels European headquarters of Sheraton, area chief Jon Kapioltas broods over the prospects of adding further to his London holdings.

Marketing aggression seems to be the name of the hotel game these days so it is hardly surprising that Sheraton blithely says it intends being the biggest hotel company in the world within the next decade. At a ra-ra sales meeting recently I saw Sheraton executives pumping home the "Hilton and Intercontinental were the companies



Kapioltas: build up

of the 'sixties, we are the company of the 'eighties" theme, a message which simply brings cynical smiles to the lips of the rivals.

By any measure Sheraton's Kapioltas is looking after a rapidly expanding section of the empire. From his Belgian tower block (Eurohome of parent ITT as well) he looks after the two dozen properties currently in operation and plots further expansion. This includes a 600-room project in Jeddah, 350 rooms in Bahrain and 350 rooms in Dubai in an impressive array of Middle East developments. There seems little doubt that Sheraton is trying to do in the Middle East what the rivals did in Africa and Latin America a decade ago.

At the last count Sheraton was thinking in terms of more than 60 new building projects for completion by 1982, about half of them in Europe. As far as Britain is concerned Kapioltas reckons that he would leap at the chance of a good site in the capital to add to his present stock of three. He, like others in the field, is wondering in particular what is going to happen to the St. George's Hospital site at Hyde Park Corner when the medicos finally move out to their new home in Tooting.

Water ways

Not since the days of the hard-working Duke of Bridgewater have Britain's canal enthusiasts been given such grounds for optimism on the future of the waterways as they received this week. The optimism and the possible new lease of life for much of Britain's steadily winding down canal system came in a report from the select committee for nationalised industries on the ability of the nationalised British Waterways Board to discharge its statutory duties.

Unlike many nationalised industries, the canals are recognised as an industry that has every right to expect government aid. Indeed, as the committee of MPs quickly spotted, without aid, the Board has hardly a canal in the Sahara's chance of doing its duty "to maintain the commercial waterways on a suitable condition for use by commercial freight-carrying vessels and to maintain the cruising waterways in a suitable condition for use by cruising craft."

Almost the only person not to recognise the obvious, appeared last week to be Mr. Denis Howell, Minister of State for the Environment, and in effect Minister for canals, as well as water, droughts, snow and weather control. He was criticised for not acting on the Board's dilemma and the dangers of collapsing canals.

Now, if the Government and Parliament accept the recommendations from the MPs, Britain's canals can expect an investment boost of some £60m. This would go entirely on urgently needed maintenance. So far as the Kennet and Avon enthusiasts are concerned some of it ought to be used putting into ship-shape order the magnificent Devizes steps, currently clogged beyond belief, but providing an ideal home for water fowl, algae and tangles of reeds and weeds.

More likely is that the money will go on shoring-up locks and aquaducts that are, as the MPs kept stressing, a danger to life and limb.

Only when this aspect of Britain's canal heritage is put back on a sound, water-tight footing, can the enthusiasts of Crofton realistically expect to see their much-loved lines of silver water filled again from end to end with bustling traffic. Then, perhaps the public and even industrialists, may begin to find it pleasurable, if not actually financially worth while, to forgo the "economies of time" so much stressed last century when "immense pecuniary savings" were foretold with the coming of the railways.

Caroline Hyde, Arthur Sandles and Lynton McLain.

Economic Diary

MONDAY—CBI leaders in talks with team of Ministers on contracts and pay policy. Steel unions meet Mr. Eric Varley, Industry Secretary. Two-day meeting of EEC Agriculture Ministers opens in Brussels. Wholesale price index (Feb-prov). Housing starts and completions (Jan). Hire purchase and other instalment credit business (Jan). Retail sales (Jan-final). Sir Derek Ezra, chairman NCB, guest speaker at Coal Industry Society luncheon, Hyde Park Hotel. Mrs. Margaret Thatcher at Ideal Home Exhibition, Olympia.

TUESDAY—Amalgamated Union of Engineering Workers national committee meets. Announcement by British Steel Corporation on new business venture with U.K. Atomic Energy Authority. Statement by Commission for Local Administration in England on new code of practice. EEC Foreign Ministers meet, Brussels. U.K. banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-Feb). London clearing banks' monthly statement (mid-Feb).

WEDNESDAY — TUC economic committee meets. Agricultural Health and Safety report. U.K. balance of payments (4th qtr). Construction output (4th qtr).

THURSDAY—House of Commons debates reports from Select Committee on Nationalised Industries on British Steel Corporation. National Union of Mineworkers' executive meets. TUC Women's Conference, Scarborough. Central Government financial transactions (including borrowing requirement) (Feb). Provisional figures of vehicle production (Feb).

FRIDAY—President Tito of Yugoslavia begins two-day official visit to Britain. Building Societies' receipts and loans (Feb). Usable steel production (Feb).

SATURDAY — Mrs. Margaret Thatcher at Conservative Trade Unionists conference, St. George's Hall, Bradford.

All round growth continues

Profits and Earnings have surpassed all previous records

Sales — up 64% to £1,261,567,000

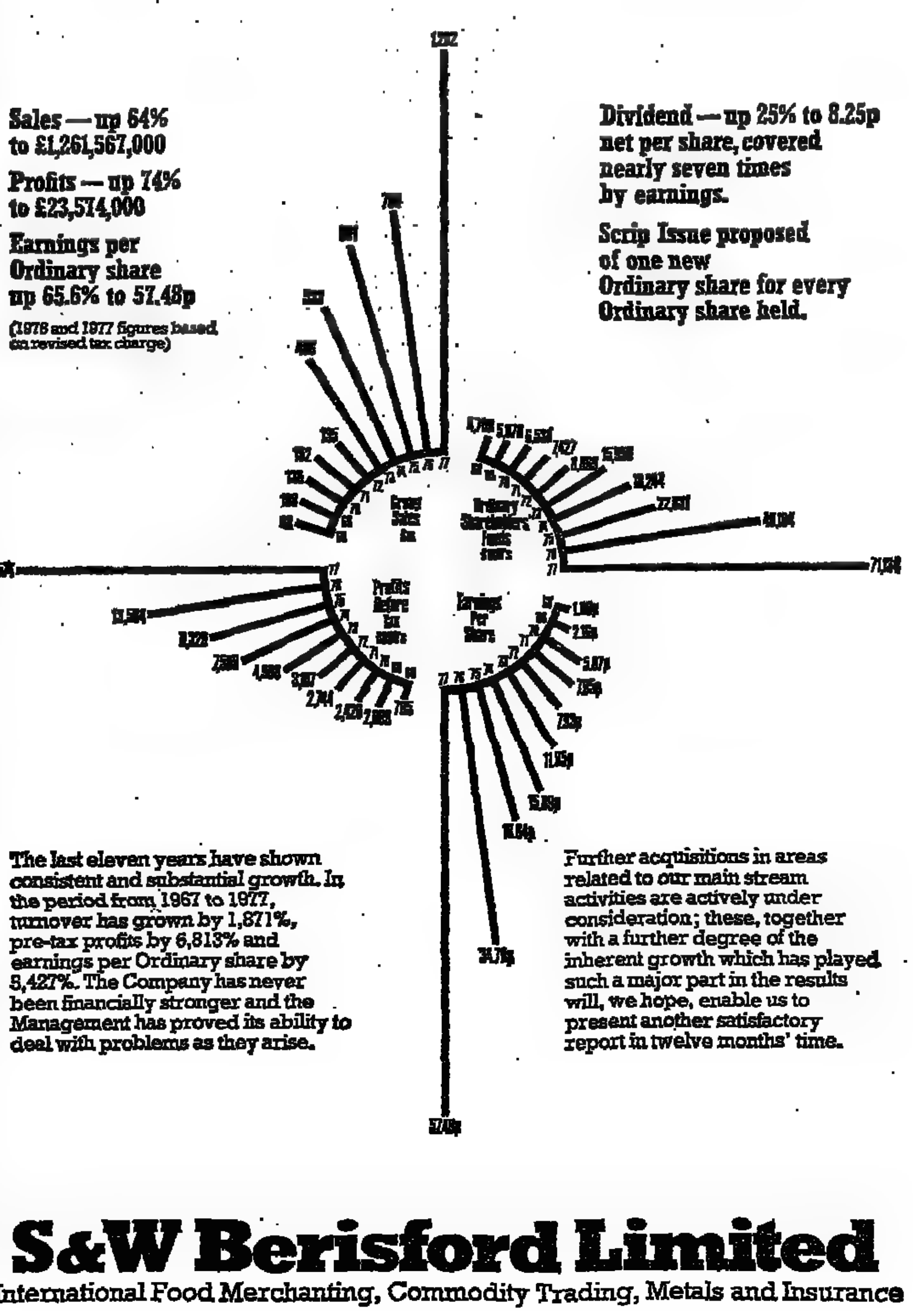
Profits — up 74% to £23,574,000

Earnings per Ordinary share up 65.6% to 57.48p

(1976 and 1977 figures based on revised tax charge)

Dividend — up 25% to 8.25p net per share, covered nearly seven times by earnings.

Scrip Issue proposed of one new Ordinary share for every Ordinary share held.



The last eleven years have shown consistent and substantial growth. In the period from 1967 to 1977, turnover has grown by 1,871%, pre-tax profits by 6,813% and earnings per Ordinary share by 5,427%. The Company has never been financially stronger and the Management has proved its ability to deal with problems as they arise.

Further acquisitions in areas related to our main stream activities are actively under consideration; these, together with a further degree of the inherent growth which has played such a major part in the results will, we hope, enable us to present another satisfactory report in twelve months' time.

S&W Berisford Limited

International Food Merchanting, Commodity Trading, Metals and Insurance

Copies of the Annual Report & Accounts for the year ended 30th September, 1977 may be obtained from the Secretary, Berisford House, 50 Mark Lane, London EC3R 7QJ.

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COMPANY NEWS + COMMENT

FNFC optimism with qualifications

IF INTEREST rates continue at their present level and the rise in property values becomes firmly established, the second half profitable trend at First National Finance Corporation last year should be maintained in 1978, Mr John Glyn, the chairman, tells members.

However auditors Touche Ross and Co. repeat their strongly qualified report on the accounts warning that withdrawal of the facilities available from the support group which at October 31, 1977, amounted to £286m., would make the going-concern basis for the 1976-77 accounts inapplicable and further substantial unprovided losses might be suffered. Under the reorganisation in 1975 the support group comprises the Bank of England and the Clearing Banks.

For the year to October 31, the group pre-tax loss was cut from £22.11m. to £4.87m. following a turnround to profit of £2.6m. in the second half—as reported on January 14.

Mr. Glyn stresses that the improvement must be related to the overall net deficit which now amounts to £76.2m. After deducting this from £93.2m. in respect of the support group's deferred and subordinated loans there is a margin of £17m., Mr. Glyn explains.

Interest is not currently payable for 1976-77 to the support group on these loans but £12.6m. interest on income loans now qualifies for payment. This will leave total unpaid interest on all loans of £34.5m. which has been accrued but not compounded.

There was an increase in cash and short term funds at October 31, 1977, of £840,000 (nil) and loans, advances and other customers' accounts amounted to £221.05m. (£239.08m.). The support group's direct loans to the consumer credit division amounted to £101.73m. (£102.03m.), and support group's income loans were £110.04m. (£116.03m.). Short-term borrowings and deposits were down at £13.4m. (£33.6m.).

The directors object for the current year must be to continue repayment of the very large borrowing from the support group and at the same time earn a profit to reduce the profit and loss account deficit, the chairman comments.

Commitments overseas have been considerably cut back and almost total disengagement is hoped for in 1978, Mr. Glyn says.

Two of the three directors with interest in the equity reduced their holdings during the year. Mr. L. Maxted's holding at the year end was 106,394 (321,315) and Mr. T. J. B. Wrigley's holding was 38,411 (438,411). Mr. L. Sainer's direct interest remained at 25,000.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Alliance Trust	4.9	May 8	4.75	7.1	6.35
Amal. Tin Mines ......int.	1	April 27	nil	—	2.51
Bridgewater Estates	8.5	April 3	6.6	13	8.83
Cockburn Cement	4.75‡	May 10	4.5	7	6.5
George Oliver	1.29	April 29	1.15	1.87	1.68
Trans-Oceanic Trust int.	1.5	May 3	1.5	—	5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Australian cents throughout.

Burroughs Machines tops £13m.

A TURNROUND from a pre-tax loss of £2.27m. to a record profit of £13.14m. was achieved by Burroughs Machines, the Middlesex-based computer and communications equipment subsidiary of Burroughs Corporation, U.S., for the year to November 30, 1977.

Sales climbed from £84.71m. to £107.76m., At halfway there was a surplus of £3.6m. (loss £2.1m.) which included an exchange gain of £1.03m. The full-time exchange gain amounted to £2.41m.

After tax of £4.74m. (£1.5m.) and all other charges net profit for the year emerged at £8.4m., compared with a loss of £3.76m.

Brunner Investment

The 16.4 per cent. rise in gross income of Brunner Investment Trust for the year to November 30, 1977, was mainly due to gains in U.K. and foreign investment income. Although useful further gains from these sources may be expected in 1978 these are unlikely to be on such a scale as to allow the directors to recommend the same proportionate increase in total dividend for the current year as they did for the year under review when the rise was from 2.93p to 3.33p net.

Announcing this in his annual statement Mr. T. B. H. Brunner, chairman, goes on to say that during the year the proportion of investments held in the U.S. was substantially reduced. This resulted from the greatly superior performance of the U.K. equity market in 1977. In 1978 he believes it may be the turn of the U.S. market to gather strength but this is unlikely to precede a revival in confidence in the dollar and the Carter administration.

In September the directors arranged a $U.S.2m. overdraft facility from Kleinwort Benson and in December this was increased to $3m. The proceeds of the overdraft are being used primarily to increase the U.S. dollar component of the trust's portfolio at a time when certain U.S. common stocks look attractively valued.

The AGM of the company is to be held at 20, Fenchurch Street, E.C., on March 31 at 12.45.

Alliance Trust expands

ON GROSS revenue higher at £6.87m., against £6.46m., Alliance Trust Company expanded after-tax revenue for the year to January 31, 1978, from £3.42m. to a peak £3.78m. After deducting prior charges at par net asset value per 25p share at year end was 259.5p, compared with 233p.

Revenue excludes an exceptional tax credit this time of £127,733 equivalent to 0.25p per share, earnings are stated without this credit at 7.37p (6.66p). The net total dividend is raised to 7.1p (6.35p) with a final of 4.9p. To reduce disparity the directors intend to raise the interim for the current year from 2.2p to 2.5p.

At the similarly managed trust, Second Alliance Trust Company, the Board anticipates that earnings per 25p share for the year to July 31, 1978, will exceed 6.3p, compared with a stated 3.9p last year.

Net asset value of this trust at July 31, 1978, was marginally down at 220p (221p).

PYE SUBSIDIARY DEFICIENCY

Deficiencies of around £1.5m. have been uncovered at Cabinet Industries, a subsidiary of Pye Industries—itself owned by Philips' Lamps. A statement issued yesterday says that "certain irregularities" have come to light involving an "overstatement of assets and other factors," which are being investigated.

While no further details were forthcoming, the Pye Board states that trading of Cabinet Industries — which employs around 300 people in the manufacture of wooden TV and radio cabinets—is continuing normally.

G. Oliver climbs to £0.55m.

AFTER depressed first half taxable earnings of £37,140, against £175,541, through lack of demand, as forecast George Oliver (Footwear) improved in the second six months of 1977 and ended the year ahead from £545,448 to a record £648,440. Sales excluding VAT, were £1.08m. better at £8.18m.

Tax took £305,852 (£299,416) and earnings per 25p share are shown at 6.25p (4.51p). A net final dividend of 1.29p lifts the total to 1.87p (1.68p).

Extraordinary credits this time amounted to £411,189, compared with £24,469.

● **comment**

After the sharp interim setback George Oliver has staged a major come-back in the closing six months to leave the full year profit ahead by 18 per cent. and at a new full year record. During the first half poor summer weather hit sales of traditional footwear, but the drab weather which continued through to the autumn was good news for sales of winter footwear. Moreover the public started to trade up into more expensive higher margin footwear ranges, and Christmas demand was well up to the mark to add that extra boost to second half profits which jumped by nearly two-thirds against the corresponding period. Costs meantime tended to stabilise with a Stage Two wage settlement coming in last June. Given an improving level of consumer spending and the obvious recovery potential of the first half—last year interim profits collapsed by £138,000 to £37,000—the outlook for the coming year looks reasonably bright. But at 43p, the p/e of 6.7 and yield of 6.8 per cent. is probably as high a rating as can be expected for Oliver within the footwear sector at present.

Brixton Estate arranges further £5m. loan

TO ENABLE it to take advantage of opportunities for property development and investment, particularly in the industrial sector, Brixton Estate has arranged a further £5m. loan facility with Royal Insurance.

As with the existing arrangement Royal has been granted options over new Brixton Ordinary shares. Assuming full exercise of options under all agreements and together with shares Royal already holds, Royal would then have a stake of some 12.6 per cent. in the Brixton equity, and the Royal Insurance Group Pension Scheme would have some 2.76 per cent. At present all options remain unexercised.

The directors say that this new facility will assist Brixton to continue its policy of developing first class industrial and commercial property at a time when prospects for this type of investment are improving.

Under the new facility Royal will make available to Brixton a 15-year secured loan facility of up to £5m. which may be drawn down over three years. The rate of interest will be 1 per cent. less than the gross redemption yield of 11¾ per cent. Treasury stock 1991 at the date of Royal receiving notice of each drawing.

As part of the terms Royal will be granted options over new Ordinary shares in Brixton at the rate of 25 for each £100 of loan drawn down at a subscription price of 104p per share. The options will remain open for 15 years from the date of the drawing to which the options relate.

Royal intends to allocate £1m. of this new facility and consequent options to the Royal Insurance Group Pension Scheme.

The facility is subject to holders' approval at an EGM of Brixton (notice of which will be sent shortly) and at which an increase in Brixton's authorised capital will be proposed.

Under an existing arrangement Royal has already provided a loan of £5m. under which it has been granted options over 1,375,000 new Ordinary shares at 74.54p per share.

The maximum number of new shares over which options can be granted under the new facility is 1,250,000 shares.

Royal currently holds 2,437,689 Ordinary shares in Brixton so that, assuming full exercise of options under the existing loan agreement and options for 1m. shares under the new facility it will then hold 4,812,689 Ordinary shares—some 12.6 per cent. of the Ordinary capital of Brixton.

The Royal Pension Fund currently holds 804,327 Ordinary shares in Brixton so that assuming full exercise of the options for 250,000 shares under the new facility, it will then hold 1,054,327 Ordinary shares—some 2.76 per cent. of the Ordinary capital of Brixton.

Clerical, Medical and General Life Assurance Society, which at present holds 8,235,077 Ordinary shares in Brixton (some 23.16 per cent. of the issued Ordinary capital), has been informed of the negotiations with Royal and has indicated its intention to vote in favour of the loan facility and the increase in authorised capital at the meeting.

Results due next week

Heading next week's list of company results are two Anglo-Dutch giants, Royal Dutch-Shell and Unilever. Also due is Midland Bank—the last of the major U.K. clearers to report. In addition BTR, record changer group BSR and high street retailer Woolworth are all due to announce figures.

Royal Dutch/Shell's full year figures due on Thursday are expected to show net income, excluding FAS 8 distortions, of around £1.4bn. for 1977 compared with £1.3bn. The FAS 8 currency adjustment could amount to a debit for the year of £60m. But the successive deterioration of the previous three quarters could have been halted. Net income pre the FAS 8 adjustment could come out at around £330m. for the final three months, after £470m., £340m. and £314m. in the previous three quarters. And there is the odd forecast of £385m. for the fourth quarter. The bad winter is expected to have given a fillip to natural gas profits. However, the weak chemical market, and the badly depressed tanker business will have pegged the full year advance in net income to under a tenth.

Unilever's full year results are due on Tuesday and the market has rather mixed views as to how far the group's profits may have slipped. Current forecasts range from £545m. to £580m. compared with the £602m. Unilever earned in the previous year. Since then the group's stake in its important Nigerian subsidiary has been reduced to 40 per cent. while exchange losses last year may have amounted to around £28m. Meanwhile the performance in Europe has been flat as pressures have intensified on consumer spending. However, stock losses, which occurred in the third quarter, may not have reappeared in the fourth quarter. After nine months pre-tax profits were 3 per cent. down at £435.1m.

At the time of its £90.4m. rights issue in January Midland Bank said that pre-tax profits will be in the order of £190m. for 1977, compared with £166.4m. So there is little variation in analysts' estimates which hover between £189m. and £195m. The overall improvement of around 14 per cent. will have owed much to the group's non-banking interests. Here insurance broker Bland Payne is the premier performer, and has already declared profits which showed an increase of 44 per cent. to £21.9m. for the year. Thomas Cook is expected to be making an improved, if still small, contribution as well. At the associate level Standard and Chartered could have increased its contribution to over £20m.

Analysts in recent weeks have been tending to write down their forecasts for BTR's full year results due on Wednesday. However the market is generally expecting pre-tax profits to be around £30m. with some top range forecasts of around £33m. This compares with £24.2m. earned in the previous year. The reduced forecasts are largely because the effect of exchange rate changes at the end of last year are now expected to have had a more marked effect on profits than was first anticipated. Meanwhile U.K. profits are thought to have substantially advanced while the U.S. is also thought to have done well. Performance in Europe, however, is thought to have been patchy while South Africa and Australia have struggled although the latter is now thought to be recovering.

Brokers appear to be having some difficulty in getting any conformity into their forecasts for BSR's annual results due to currency fluctuations. The spread of profit forecasts is from £20m. to £25m. compared with £28.7m. for the previous year. At the half-way stage it was poor demand for record changers in most markets apart from the U.S. and losses at the consumer products division, which caused a slip in pre-tax profits to £12.2m. from £13.1m. During the second half the consumer products division should have staged a recovery without the heavy first-half write-downs at Judge. Demand for record changers has been flat apart from the U.S. but with some 70 per cent. of record changer sales going to the States the fall in the value of the dollar will hit profits. The results are expected on Tuesday.

Analysts have been making small upward adjustments to their forecasts of Woolworth's full year results due out next Wednesday. The third quarter figures were already pointing the way to some recovery after the disappointing second quarter, when profits fell £2m. to £5.2m. pre-tax. After nine months Woolworth's profits were still only £2m. short of the comparable period at £20.7m. and bearing in mind the generally good level of Christmas trading by retailers Woolworth's final quarter could have made up for the earlier shortfall. Analysts are now thinking in terms of £41m. to £42m. pretax compared with £41m. last year.

Also coming next week are the full year figures from Fisons on Monday and preliminary results from Inveresk and Provident Financial Group on Tuesday. The following day Steetley will reveal its full 12-month trading picture and on Thursday annual results are due out from Transport Development Group, Alexander Howden, Lex Services and Refuge Assurance.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Farrow Hepburn Group	Wednesday	1.313	1.919	1.375
Eastwood Co.	Friday	—	0.823	—
J. Bibby & Sons	Tuesday	2.0	3.912	2.5
Blagden & Noakes (Holdings)	Tuesday	2.37	3.409	2.625
BSR	Tuesday	0.621	3.447	1.265
BTR	Wednesday	3.25	3.25	4.02
Corah	Thursday	0.5	0.7	0.5
Derek Crouch (Contractors)	Thursday	1.02	2.495	1.137
Edinburgh Investment Trust	Monday	2.45	3.1*	3.2(d)
Fisons	Monday	4.5	6.7991	5.413
H. Goldman Group	Monday	Nil	Nil	0.2
Greenfield Millets	Tuesday	0.557	0.74	0.57
Harris & Sheldon Group	Thursday	1.265	1.398	1.413
Alexander Howden Group	Thursday	1.25	3.75	1.5
Inveresk Group	Tuesday	1.25	3.105	1.375
Robt. Kitchen Taylor & Co.	Tuesday	—	Nil	—
Lex Service Group	Thursday	1.17	1.555	1.286
Martin Ford	Wednesday	1.1	1.149	1.22
McCleery L'Amie Group	Friday	0.754	0.5	Nil(c)
Mercantile Investment Trust	Monday	0.4	0.65	0.55
Midland Bank	Friday	5.0	7.026†	5.75(e)
Needlers	Thursday	Nil	Nil	Nil
Neil & Spencer Holdings	Monday	0.65	1.149	0.813
Newey Group	Thursday	Nil	Nil	Nil
Nu-Swift Industries	Wednesday	0.6	0.963†	0.66
W. L. Pawson & Son	Wednesday	Nil	Nil	Nil
Peachey Property Corporation	Thursday	0.731	0.23*	Nil
Provident Financial Group	Tuesday	1.444	2.964(f)	1.612
Refuge Assurance Co.	Thursday	1.5	3.433	2.5
Renold Group	Wednesday	0.565	0.567	0.63
R.K.T. Textiles	Tuesday	1.583	2.667	1.753
Rosedimond Investment Trust	Tuesday	1.9	1.9	2.0
Scottish Eastern Investment Trust	Monday	1.0	[illegible]	1.25
W. N. Sharpe	Thursday	1.294	1.725*	1.445
"Shell" Transport & Trading Co.	Thursday	7.452	6.583(a)	8.822
Steetley Company	Wednesday	2.2	3.638(b)	2.437
Taverner Rutledge	Thursday	2.6	3.6	2.904
Transport Development Group	Thursday	1.0	1.534	1.125
Unilever	Tuesday	4.15	7.12(b)	4.65
Waverley Cameron	Thursday	—	6.794	—
F. W. Woolworth & Co.	Wednesday	1.225	2.755	1.225
Yule Catto & Co.	Thursday	0.5	0.721	0.6
INTERIM DIVIDENDS				
A.A.H.	Thursday	5.0	6.0	
Matthew Clark & Sons (Holdings)	Wednesday	1.5	3.09	
G. H. Downing & Co.	Wednesday	4.5	5.719†	
Galliford Brindley	Thursday	0.75	[illegible]	
Glanfield Securities	Friday	4.0	4.5	
Hampson Industries	Wednesday	0.25	0.432	
Hunt & Moscrop (Middleton)	Thursday	0.238	[illegible]	
J. Jarvis & Sons	Thursday	4.0	4.918	
Lake & Elliot	Friday	1.43	2.061	
Medminster	Thursday	0.4	1.469(g)	
Parker Knoll	Monday	0.573	2.552	
Park Place Investments	Thursday	0.25	0.75	
Sandhurst Marketing	Tuesday	0.592	0.982	
Scottish Cities Investment Trust	Wednesday	2.25	3.75	
Staffordshire Potteries (Holdings)	Tuesday	1.15	2.387	
Strong and Fisher (Holdings)	Wednesday	1.7	2.51	
Stocklake Holdings	Thursday	0.75	1.817	
Victor Products (Wallsend)	Monday	1.101	1.536	
West of England Trust	Thursday	[illegible]	0.771	
INTERIM FIGURES ONLY				
Harrisons Malaysian Estates	Thursday			

* Dividends shown net, pence per share and adjusted for any intervening scrip issue. † Second interim in lieu of final. ‡ Includes special dividend of 0.059p. § Includes special dividend of 0.067p. ° Includes special dividend of 0.026p. (a) Includes special dividend of 0.104p. (b) Includes special dividend of 0.11p. (c) Second interim of 7.25p already paid. Forecast final of 1.75p. (d) Forecast final of not less than 2.1p. (e) Present period eight month to December 31. (f) Second interim and final. (g) Includes second interim of 0.4p. (h) Includes special dividend of 0.059p.

BIDS AND DEALS

Supermarket chains in £1.1m. merger

A former full back with Blackburn Rovers football club, Mr. David Whelan, is selling his supermarket chain, Whelans Discount Stores, to William Morrison Supermarkets for about £1.1m.

Whelans operates six supermarkets in Lancashire with combined space of 140,000 square feet. The buyer believes it can increase the turnover of the stores by stronger marketing and improve the margins through bigger clout in wholesale purchasing and overhead savings.

Morrison's finance director, Mr. Howard Watkinson, acknowledged yesterday that the timing of the purchase might seem odd in view of the supermarket price war. But two of the stores were of a good size and are expected to attract much higher sales under Morrison's wing.

Mr. Whelan, on the other hand, takes a more jaundiced view of the supermarket business, believing that the price war is going to get even worse over the next year. He says: "I can't get enough profit to expand and I don't like to stand still."

He is going to invest part of the proceeds, of which he receives £½m. on completion, in his sports outfitters business. This is a business closer to his heart since he used to play regularly for the redoubtable First Division club (as it then was) Blackburn Rovers. But his finest hour, playing against Wolverhampton Wanderers in the 1961 Cup Final, was somewhat marred by his breaking a leg.

Mr. Whelan remembers from those days another man who used to be associated with Rovers and went on to make a fortune in business. He recalls that Mr. Derek Barnes, who became a multi-millionaire through Northern Developments (now wound up), used to be on the ground staff.

COLOPHONIUM RAISES OFFER

Colophonium Pty., the company presently bidding for the Sydney-based investment trust London Australia Investment Company, has raised its offer from $A1.30 to $A1.40 a share, and its directors have committed themselves to allowing LAIC's shareholders to retain the final dividend of 5.5 cents a share which is to be paid in March.

The new terms, however, are not expected to impress the LAIC Board, which has already advised shareholders in the company — which is quoted only in London — that their assets were worth $A1.67 a share at the end of last year.

The directors of LAIC have been considering alternatives to the Colophonium bid since it was announced, and are expected to come up with some positive advice for shareholders in the very near future. In the meantime, it is believed that they will advise shareholders to do nothing. London Australia's shares closed 1p down yesterday at 115p.

DEANSON MOVES INTO SECURITY PRINTING

For £75,000 cash and the issue of 300,000 Ordinary shares, Deanson (Holdings) has acquired AGW Computer Security which is engaged in security printing mainly producing cheques for banks and local authorities.

Deanson had been considering starting up this activity and therefore welcomed the opportunity to buy a company already established and well connected with a consequent saving in research and development costs. Mr. C. G. R. McMahon, the former owner of AGW, has joined the Board of Deanson.

Pre-tax profit of AGW for the year 1977 was £20,363, and net tangible assets at that date totalled £44,886.

PILKINGTON STAKE IN FINNISH GLASS MAKER

Pilkington Brothers has acquired 50 per cent. of Lahden Lasitehdas Oy (Lahti) Finland's sole sheet glass manufacturer for well under £1m., according to the group yesterday. The remaining 50 per cent. has been acquired by The Bank of Helsinki with other Finnish partners.

Pilkington intends that there should be close co-ordination between this new partnership and the group's other Scandinavian activities, particularly the flat glass manufacturing company Pilkington Floatglass in Sweden.

The investment in Lahti, whose turnover in its last financial year ran at around £10m., has received the active support and approval of the Finnish Government.

78p per share offer for Anston Holdings

BY ANDREW TAYLOR

Mr. Raymond Stoner is bidding approximately £1.8m. through his privately-owned Clerk's Acre (Hassocks) company to gain full control of Brighton-based flats and offices group Anston Holdings, of which he is managing director.

Mr. Stoner already holds a 25.04 per cent. stake in the property company which he started with the current chairman Mr. Claude Pascoe in 1962. Mr. Stoner is bidding 78p a share for Anston which went public in 1972. The bid values the company at around £2.4m. The shares were suspended on December 16, 1977, at 70p.

A large slice of the finance is being provided by Amex Bank, principally in the form of a loan. A spokesman for Amex said yesterday that the other major shareholders on the Board had passed retirement age and had earlier indicated their wish to sell their stakes in the company. Mr. Stoner was worried that the company could pass into other hands and had decided to go-it-alone.

The Board of Anston (excluding Mr. Stoner) and its advisers de Zoete and Bevan are recommending shareholders to accept the bid. Irrevocable undertakings to accept the offer have been received from certain directors and other shareholders in respect of 30.79 per cent. of the Anston equity.

If the bid succeeds, the existing directors of Anston, other than Mr. Stoner, will retire without compensation. The offer is conditional upon acceptances being received from not less than 75 per cent. of the shareholders (other than CAH) and acceptances received will be in respect of not less than 90 per cent. of the equity for which the offer is being made.

The Bowater Corporation currently holds a 26 per cent. stake in Anston which owns two large office blocks and other property in the Brighton area.

The company which also builds and sells flats earned a pre-tax profit of £151,160 (£147,193) in 1976-77 to produce earnings per 25p share of 2.18p. At the height of the property boom in 1973 the group was earning pre-tax profits of £306,000 and earnings per share were 6.73p.

In addition the company is proposing a scrip issue to reduce the cost of stamp duty liability. Full details of the offer are expected to be sent to shareholders on Monday.

Argyle Secs. shell sold in Goldsmith reshuffle

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

THE CASH shell of the former publicly quoted property group Argyle Securities is to be sold to a private overseas investment company "in which family companies associated with Sir James Goldsmith have a minority interest."

The latest reshuffle within Sir James's corporate empire is fascinating in its form.

On Tuesday, Argyle, which is 53 per cent. owned by Belvedere SA, a Luxembourg associate of Sir James's Generale Occidentale group, announced that it had sold its principal property holding company, Alliance Property Holdings, to another of Sir James's companies, The Cavenham Group. Argyle received £10.7m. from Cavenham, and paid itself a further £8.14m. in the form of a dividend from Alliance paid immediately before the sale.

Argyle had, therefore, received a total of £18.8m. cash for Alliance before any subsequent additional payments from Cavenham.

Cavenham based its purchase price on a 10 per cent. discount to an Argyle directors' December 1977 valuation of Alliance's properties. If the discount proves to be too large, Argyle will receive 75 per cent. of any surpluses above that discounted valuation base that are achieved on future property disposals.

Although Cavenham bought Argyle's major subsidiary on the basis of a December 1977 valuation, in yesterday's deal another Goldsmith company, Anglo-Continental, sold its 47 per cent. stake in Argyle on the basis of the group's net assets in March 1977.

The private overseas investment company, Evon SA, is paying Anglo £7.9m. for its 47 per cent. in Argyle, "a figure equal to the net asset value of Argyle based on its latest audited accounts at March 31, 1977." This payment is deferred for two years without interest. Anglo explains that the deferral reflects "the fact that Argyle is subject to a restriction which currently precludes the payment of dividends." Pending payment Anglo will retain its Argyle shares together with additional, unspecified, collateral.

Evon has also agreed to purchase Belvedere's 53 per cent. holding in Argyle for an undisclosed sum.

Anglo director Mr. Louis Sherwood, said yesterday that the company had accepted the deferred payment because of Argyle's "lacklustre" performance as an investment. Mr. Sherwood believes that the March, rather than the December valuation basis worked to Anglo's advantage because of "small continuing revenue losses" within Argyle since March. As Argyle's only remaining public link is its £8m. or so of loan stocks (which lost convertibility rights over a year ago) a clear explanation of this intricate inter-company manoeuvering over the past week may never appear.

GREEN GROUP SUSPENDED

Shares of Irish cinema operators, Green Group, were suspended at 65p yesterday pending publication of a circular. The suspension was not at the company's request.

Green's sale of nearly 6 per cent. of Mills and Allen last October is thought to be the subject of the circular. Mr. K. T. Andersen, chairman of Green Group, announced in November to shareholders that £160,000 profit had been made on the deal. But further details may be forthcoming because of the size of the disposal in relation to Green's total assets.

Shares of Mills and Allen were suspended at the time when Green made the sale. The buyers were Hambros Bank and some directors of Vavasseur who received some criticism as a result of the transaction, which went through at 65p per share.

Subsequently the buyers have done very well and the seller, Green Group, has correspondingly missed an even greater profit than it actually obtained. Yesterday Mills and Allen shares closed at 155p.

BLAKEY'S

Centreway yesterday purchased 50,000 shares at 47p in Blakey's (Malleable Castings).

UNIT TRUSTS

Small companies for growth

Time after time unit trust managers point out that theirs is not a medium for the short-term investor; and for all that the advent of the specialist funds has done something to undermine the argument, for the general funds it is as valid as ever it was. Anyone going into an investment on a four to five year view, however, needs to be certain of some things: first, that he won't need to sell at a given point in time—in case the market is against him; and second, that there is underlying growth potential in the vehicles he chooses.

It's the underlying growth potential in small companies that is the attraction to two of the unit trusts which are advertising this week: M and G's Special, and Cosmopolitan Growth. The former has made a poor start to the current year, but all that really proves is that short-term performance means very little. Going back over six years, it has an extraordinarily consistent record as a strong performer: not quite as consistent as M and G Recovery, perhaps, but there isn't all that much in it.

As against M and G Recovery the Special fund does, moreover, have one advantage: it is small itself—only £9m. under management. And that means it can put a proportion of its funds big enough to make a difference to performance, into companies with a small capitalisation, without distorting the market in their shares.

You can put capital into M & G Special (a minimum of £500), or use it as a vehicle for regular saving by way of unit-linked life assurance (a minimum of £10 a month). Those who choose the former route must, however, come to terms with the fact that this is a growth fund, and the shares in which it is invested are not chosen for income: the current estimated gross yield is only 4.6 per cent. As against that the distributed income has increased in every year since the fund was launched, back in 1967.

Those who want to live a little more dangerously might care to look, instead, at Cosmopolitan Growth, whose managers are inviting subscriptions for a minimum of 1,000 units (£178). In contrast to M & G Special, Cosmopolitan's longer term record is nothing to write home about: but again, that doesn't prove much, for the management of the fund changed last year when Joseph Sanders moved in on its parent company. Nowadays the policy is to invest in small companies whose dividends are very fully covered, in the belief that, at the least, an easing of dividend restraint is imminent. As it is, the yield on this fund is not unattractive, at 5.2 per cent.; so obviously, if the managers' predictions prove to be accurate, there is plenty of potential for short-term capital growth.

Given the way that the international funds have started to perform; some investors might prefer to look abroad for growth: and to them Gartmore is recomm[...] its American Trust. Unlike [...] Eastern and European [...] however, the U.S. has [...] started to perform and [...] always the chance that thing[s] get worse before they get [...] So this is a fund for tho[se] [who] want capital growth ove[r the] longer term.

Gartmore's argument is t[hat the] time to buy is when share[s] are low, not when they [have] risen: and it's an argumen[t] Freddy Lawson of [...] Securities has picked u[p] backed with a 70-year-old [quota]tion, as true to-day as it wa[s] from Charles Dow, the foun[der of] the Dow Jones Average. [...] itself is inviting application[s this] week for its Raw Material[s] General Trust.

The general case for com[modity] investment is discussed this [week] on page 7, but the Lawson [fund] being only two years old, [is not] included in the table. It has [to be] said, however, that this has [been] a very good performer [...] with the units increasing in [value] by 47 per cent. over the [...] months of existence. At 7.[...] cent., the yield is worth h[aving] too. The minimum investm[ent is] £400.

Anyone looking for i[ncome] should, however, consider Schlesinger Extra Income [...] instead—it is, after all, yi[elding] 10.4 per cent., and since [it is] an all-equity fund that r[...] can be expected to grow. [...] distributions from this fun[d are] made quarterly—a useful s[...] for anyone proposing to li[ve on] the income. The minimum [sub]scription is £500.

That yield compares rel[atively] well with the 10.06 per [cent.] currently available on the li[...] portfolio of the Money Ma[nager] Service run by Manchester br[okers] Charlton Seal Dimmock—t[...] that in turn, of course, com[pares] well with the yield now ava[ilable] from a building society. [The] Money Manager Service [was] originally set up for those on [high] tax rates who were looking [for] capital gain by way of invest[ment] in short-dated gilts; and th[at is] exactly the sort of clientele which its Capital portfolio caters.

It aims to take the subje[ctive] element out of the choice [of] short-dated stock, by the u[se of] Datastream: but there are [no] promises of certain capital gr[owth] in this game, and while the [results] over the 15 months since [the] fund was set up are impres[sive] the most recent performanc[e, in] a depressed market, has been [less] so. The implication is that [the] service relieves you of the [deci]sions over which stock you sh[ould] invest in, but not of the deci[sion] over when.

And finally, both Schroder [...] and Piccadilly are drawing [in]vestors' attention this wee[k to] their investment expertise. [In] both cases, however, you are g[oing] to have to make the major [deci]sions. Some people like it [that] way.

MINING NEWS

Fiji copper venture nears new phase

BY KENNETH MARSTON, MINING EDITOR

WHILE copper prices have weakened to levels uneconomic for most world producers and investment in new projects has virtually dried up, exploration work continues at the big Namosi porphyry copper prospect, 25 miles north-west of Suva on Viti Levu Island in Fiji.

In Suva yesterday Mr. Militoni Leweniqila, the Fiji Minister of State for Lands and Mineral Resources, announced that two members of the Namosi consortium, Conzinc Riotinto of Australia and West Germany's Preussag, had exercised their options for the second stage of the prospect. They are now committed to spend $5.8m. (£3m.) on possible sampling, engineering and feasibility studies.

Subsidiaries of Preussag and CRA joined the consortium in late-1976 and mid-1977, respectively. The consortium now comprises Amax with a stake of 25.3 per cent.; Australian Anglo American 25.2 per cent. (including an indirect interest of 1.9 per cent. held on behalf of Emperor Gold Mining); Preussag 25.1 per cent.; and CRA 24.4 per cent. The exploration programme is being operated by Amax's RST (Fiji).

The last-named has completed over 13,000 metres of reverse circulation drilling on the property with results sufficiently encouraging to warrant continuing evaluation of the prospect, the Minister stated. Members of the consortium plan to meet in Fiji shortly to discuss details of the second phase evaluation. So far they have spent $9m. on the prospect.

Australian Anglo American started the exploration in 1968 and Amax came on the scene in 1972. The deposit appears to be large but of a comparatively [low] grade and it is in a tropical [en]vironment similar to the [Rio] Tinto-Zinc group's highly succ[ess]ful Bougainville mine in Pa[pua] New Guinea. Namosi, wh[ich] would also require to be wor[ked] as a large-scale open-pit op[era]tion could need a total inv[est]ment of some $600m.

Sylvite sale boost to Hudbay profit

DESPITE a fourth quarter loss [of] $C599,000 (£276,600), the An[glo] American Corporation grou[p's] Canadian Hudson Bay Mining [and] Smelting has made earnings [for] 1977 (before extraordinary item[s]) of $C4.41m., or 44 cents (20p) [a] share. This compares w[ith] $C2.82m., or 28 cents per share [in] 1976.

The extraordinary item on [the] latest occasion reflects [the] $C52.58m. gain on the sale of [the] group's Sylvite potash division [to] the Potash Corporation of Sa[s]katchewan. It brings total ear[n]ings for 1977 to $C56.99m., [or] $C5.64 per share. There was [a] loss, after debiting extraordina[ry] items, of $C8.28m. in 1976.

As already announced, Hud[bay] has omitted its last quarterly di[vi]dend declaration. The compa[ny] points out that base metal marke[ts] remained depressed last year an[d] there was a weakening in fertili[ser] markets in the second half. The[se] factors largely offset the improve[d] results of the company's oil an[d] gas subsidiaries.

Brokers set up options clearing agency

Two firms of stockbrokers, Vickers da Costa and Joseph Sebag, have set up a joint concern called Opclear, which is designed as a clearing agency to operate in the traded share options market which is expected shortly to be set up in London under the Stock Exchange's control.

Clearing agencies are an essential intermediary between the central clearing house, the London Options Clearing House, a subsidiary of the Stock Exchange, and operators in the market. Indications are that at least three other stockbrokers are planning to act as clearing agencies.

Opclear, the first joint venture between two stockbroking concerns, will be a separate entity from its two owners and will offer a confidential service to other brokers.

Under its plans, which are subject to the consent of the Stock Exchange Council, Opclear will record trades for brokers and produce a daily list, and will set up and maintain a position in each option series and class. The positions will be monitored daily and Opclear will have extensive computer equipment.

QUEENS MOAT

The latest addition to the Queens Moat Houses group, the 100-bedroom Hertfordshire Moat House at St. Albans, opens on Monday.

Group turnover will rise by about £1.5m. as a result of the additional of the Hertfordshire Moat House and of two others last year—the Thatched Barn Hotel, Elstree, leased in August and the Hampshire Moat House, added in September.

s in plastics

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UMMARY OF THE WEEK'S COMPANY NEWS

ke-over bids and mergers

Scapa Group has made an agreed takeover bid worth around m. for Bury and Masco (Holdings), manufacturer of woollen sed felts and non-woven industrial fabrics. The offer, com- ing five Scapa shares plus £3.40 in cash for every eight Bury Masco, has been irrevocably accepted by holders of 18.9 per . of the B and M capital. These holdings represent mainly interests of the Throgmorton Trusts, while the B and M ctors, who own around 1½ per cent. of the equity, have also cated their intention to accept the offer. The move is seen Scapa as one which will enable the enlarged group to offer a e comprehensive range of industrial textiles in world kets.

A 48p per share cash bid for brick makers Hamilborne has n put on the table by a private company, Ferguson Securities, ch intends to maintain Hamilborne's listing by placing all 51 per cent. of the shares. According to an official state- it, the offer has already been irrevocably accepted by the irman, Mr. Denis Barkway, who controls 29.9 per cent. of nilborne through his private company, Energy, Finance and ieral Trust.

The expected bid for Dixor from the group of businessmen ch bought Matthews Holdings' 57 per cent. stake last month now arrived. Shareholders are being offered 28p per share n, matching the terms of the deal with Matthews Holdings a substantial discount on the current market level of 43p. consortium has indicated that it does not intend to acquire entire equity and hopes to maintain the company's listing.

After buying 110,000 shares in Blakey's (Malleable Castings) 47p per share, Centreway is raising its general bid for Blakey's he same level.

A takeover bid may well be in the offing for Property estment and Finance following the purchase of an 18.8 per it. holding of 810,000 shares in the company from British nd by Castlemere Properties.

Decisions are likely to be taken soon on whether the projected merger between two of London's largest stockjobbing concerns should go ahead and on what terms. The planned merger between Smith Bros. and Bisgood Bishop has been cleared by the Monopolies Commission.

In an £18.8m. deal, Sir James Goldsmith's Cavenham Group has taken over Argyle Securities' main property holding subsidiary, Alliance Property Holdings, while Tootal is buying 40 per cent. of Bradmill Industries, the largest independent public textile and clothing company in Australia, for a sum believed to be about $A15m. (£9m.).

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid (£m's)**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
BCA	125†	120	53	1.48	A. P. Cement	—
Blakey's (Malleable Castings)	47*§	46	35	0.91	Centreway	8/3
Bury & Masco	99½§§	94	80	6.46	Scapa	
Dawson (James)	128	119	87	5.16	J. H. Fenned	—
Dixor	28*	43¶	47	0.31	Messrs. Dinsmore & Stark	—
Ellis & Co. (Richmond)	24†	23	17	1.19	Gough Bros.	—
Hamilborne	48*	47	43	0.75	Ferguson Secs.	—
Harrison (James)	55½	55	51	2.88	Barratt Devs.	7/3
Le Vallonet Tst.	26*	27½	26	0.8	Air Call	—
Liner Concrete	31	30	32	2.95	Thos. Tilling	15/3
Lockhart (A.)	210†	200	170	1.6	Irish Ropes	—
Lond. Aust. Invs.	82*§	116	101	4.53	Hooker Corp.	10/4
London Pavilion	350*	460	360	0.44	Mr. V Sandrsn.	6/3
London Sumatra	110*	117	98	17.52	McLeod Russel/ Sipef SA	7/3
Pontins	39§§	38	38††	47.51	Coral Leisure	—
Sec. Broadmount Trust	36.3‡‡	32	28	3.59	Chieftain	—
Warren (Jas.)	57½	58	68	0.86	Talbex	—
Westn. Canada Inv.	650*§	650	630	0.55	Scot. Eastn. Inv.	—
Whiley (G. M.)	37	34	28	1.11	Assoc. Paper	—
Wigfall (H.)	242¶§	202	163	12.60	Comet Radiovision	7/3
Young Austen Young	83*	82	66	3.4	Trafalgar Hse.	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. Date on which scheme is expected to become operative. ** Based on 2/3/78. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Based on 3/3/78.

Scrip Issues

African Lakes Corporation: One-for-four.
Allen Harvey and Ross: Three-for-five.
British Vita: One-for-five.
Charles Baynes: Four-for-one.
Sungei Krian: Four-for-one.
Temple Bar Investment Trust: One-for-one.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
A. Harvey & Ross	Feb. 5	1,200	(700)	¶	(¶)	30.716	(27.5)
African Lakes	Jul. 31	1,247	(994)	114.4	(96.5)	4.4	(2.75)
Arnott & Co.	Jan. 14	2,186	(1,729)	28.3	(20.6)	10.0	(7.37)
British Vita	Dec. 31	6,179	(4,021)	26.3	(13.6)	2.13	(1.91)
Charles Baynes	Dec. 31	394	(229)	26.9	(16.3)	3.35	(3.0)
J.H. & T.F. Braime	Dec. 31	321	(268)	10.0	(8.4)	3.328	(2.979)
Commel. Union	Dec. 31	99,800	(47,300)	19.4	(10.8)	7.643	(6.912)
Danford & Elliot	Sept. 30	1,710	(1,160)L	27.6	(Nil)	—	(—)
Genl. Accident	Dec. 31	70,200	(42,600)	29.3	(22.6)	8.097	(7.25)
IMI	Dec. 31	34,201	(30,075)	8.2	(9.8)	3.294	(2.974)
Lunova (Ceylon)	Dec. 31	99	(47)	7.6	(3.4)	5.5	(3.575)
Metalrax	Dec. 31	1,466	(845)	6.1	(3.0)	1.132	(1.014)
Mt. Charlotte	Jan. 1	522	(43)	1.5	(0.2)	0.495	(Nil)
NatWest	Dec. 31	227,558	(187,772)	45.8	(42.8)	11.488	(10.262)
Olives Paper	Dec. 31	138	(88)	4.2	(3.8)	2.25	(1.25)
Ransomes Sims	Dec. 31	2,253	(2,017)	30.1	(30.5)	8.538	(7.727)
Rea Brothers	Dec. 31	501§	(471)	5.4	(5.1)	1.653	(1.493)
Royal Insurance	Dec. 31	134,900	(78,600)	50.0	(33.5)	16.448	(14.726)
Sedgwick Forbes	Dec. 31	23,189	(16,604)	29.0	(23.2)	9.59	(8.59)
Sungei Krian	Dec. 31	789	(499)	175.9	(119.7)	75.0	(50.0)
Turner & Newall	Dec. 31	45,251	(35,378)	29.8	(25.4)	10.096	(9.122)
Vantona	Dec. 2	6,730	(6,370)	22.1	(20.4)	5.151	(4.658)
Waterford Glass	Dec. 31	9,234	(6,753)	4.2	(3.0)	1.302	(0.949)
W'house & Rixson	Dec. 31	196	(625)	2.1	(7.1)	2.318	(2.076)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Campari	Dec. 31	813†	(723)	1.096	(0.988)
Clifford & Snell	Sept. 30	95	(60)	0.312	(0.154)
Diploma Invs.	Dec. 31	2,045	(1,805)	1.245	(1.132)
R. M. Douglas	Sept. 30	1,450	(1,480)	0.881	(0.8)
EMI	Dec. 31	25,224	(41,768)	3.41	(3.41)
Manganese Bronze	Jan. 31	1,141	(915)	—	(—)
Mills & Allen	Dec. 31	2,117	(747)	—	(—)
Mitchell Cotts	Dec. 31	511	(403)	1.3	(1.155)
Myddleton Hotels	Dec. 31	329	(248)	2.64	(1.65)
Raine Eng'g.	Dec. 31	103	(395)	0.286	(0.286)
Rosgill Holdings	Dec. 10	202‡	(127)L	—	(—)
Thos. Walker	Dec. 31	79	(103)	0.168	(0.168)

(Figures in parentheses are for corresponding period)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † For seven months throughout. ‡ For 28 weeks throughout. § After tax. ¶ Not given. L Loss.

PPOINTMENTS

Changes in plastics division of ICI

Ir. D. C. Ingman has been de a deputy chairman of the stics division of IMPERIAL EMICAL INDUSTRIES from ril 1 in place of Mr. A. W. rrison, whose appointment as naging director of Scottish ricultural Industries has been nounced. At the same time, . W. F. Madden will be the ector in charge of research and velopment and Mr. D. E. eknall will become the ision's personnel and overseas ector.

★

Mr. Robert Baillieu has been pointed managing director of ENRY ANSBACHER AND COM- ANY and a director of its parent mpany FRASER ANSBACHER m Monday. Mr. Baillieu was eviously an executive director d vice-chairman of Banque ilge and a managing director of rway Day and Company.

★

Mr. Robert S. Barnes is to come part-time technical viser to BOC from April 1. On at date he will take up his pointment as Principal of ueen Elizabeth College, niversity of London. Dr. Barnes at present chief scientist of the ritish Steel Corporation and efore 1975 its director, research nd development.

★

Mr. Denis B. Cameron has signed as director and technical nsultant to the CAMREX OLDINGS) group. Mr. Cameron tired from executive responsi- lity in 1976 because of ill-health d has now decided to sever all nnection with the company.

★

BRITISH RAIL Western Region s appointed Mr. Gordon C. ittit as chief passenger manager succeed Mr. Jack Smith, who ently took up an appointment th the railways in the U.S.

★

Dr. Eric Clatworthy has been pointed BRITISH GAS COR- RATION'S director, industrial d commercial gas, responsible Mr. R. C. Smith, member for rketing, for all industrial and mmercial markets.

★

ITT has appointed Mr. A. S. vins as managing director, ITT stributors from the end of this nth. He will succeed Mr. H. E. wman, who is to retire at the d of 1978 and until then will sist the director Europe on a ecial assignment basis. Mr. vins is at present commercial ector. Mr. F. W. O'Loughlin becomes divisional marketing director for the Distributor European Operations. He was recently managing director of DITTHA, the German subsidiary of the division. Mr. Bevins and Mr. O'Loughlin will report to Mr. I. A. Martin, director Europe of the ITT Distributor Division, who will become chairman of the U.K. company.

★

Mr. G. N. C. Flint has been appointed a director of PATER- SON ZOCHONIS AND COMPANY, and has become the executive chairman of Cussons Group on the retirement of Mr. S. H. Cussons from the Board of that company. Mr. Cussons continues as a director of Paterson Zochonis and as managing director of Odex Racasan.

★

Mr. Joseph S. Maliga has been appointed zone vice president, Europe, for CARRIER INTER- NATIONAL CORPORATION and will be based at the European headquarters offices in Knightsbridge, London.

Mr. Joseph Maliga

★

Mr. R. J. N. Bull has been appointed a director of PORT- FOLIO MANAGEMENT.

★

Mr. Frank Marvin and Mr. William Warburton have been appointed to the main Board of MARSHALL CAVENDISH and Mr. Robin Vivian takes over full responsibility as managing director of the group. Mr. Norman Marshall has resigned as a director because he is no longer resident in the U.K.

★

Mr. B. Sansby has been appointed a director of DYSON REFRACTORIES, which controls the Alumino Silicates and Casting Pit Refractories Division of the J. and J. Dyson group.

★

British Electric Traction states that Mr. Geoffrey Nugus has been appointed to the Board of WEMBLEY STADIUM and will succeed Mr. James Harvie-Watt as managing director of that company from May 15. Mr. Harvie-Watt will then return to BET head office for other duties.

★

Mr. I. R. Elloart has resigned as a director of LINDUSTRIES and is leaving the group.

★

Mr. T. M. Stockdale and Mr. J. T. S. Bower, an executive director of Amex Bank, have been appointed non-executive directors of ENGLISH AND OVERSEAS INVESTMENTS.

★

Mr. Michael Bamford has been appointed managing director of SHAW AND SONS. Mr. Frank Phillips, formerly managing director, continues to be responsible for the division as a whole and has also been appointed as divisional director, new projects, of Tridant Group Printers, the parent concern.

★

Dr. Elizabeth Nesbit Evans and Dr. Richard Nesbit Evans have been appointed directors of TUFNOL INDUSTRIES.

★

The Secretary for Energy has appointed M. Richard T. Gales to be deputy chairman of the MERSEYSIDE AND NORTH WALES ELECTRICITY BOARD for five years. Mr. Gales, at present chief engineer of the North Western Electricity Board, succeeds Mr. B. R. Hastings, who became chairman of MANWEB at the beginning of this year.

★

Captain J. E. C. Kennon, Royal Navy, is to be promoted Rear Admiral from July 7 and to be Assistant Chief of Naval Staff (Policy) in June in succession to Rear Admiral B. J. Straker in the acting rank of Rear Admiral.

★

The Plessey Company is to form a management concern to be called PLESSEY ENGINEER- ING. Its Board will be Mr. W. J. Dalziel, chairman, Mr. M. St. A. Eley, deputy chairman, Mr. D. G. Booth, managing director, and Mr. A. E. Adcock, executive director. The new company will have management responsibility for the following existing or proposed trading subsidiaries: Plessey Diac, Birkbys Plastics, Kembrey Engineering, and Plessey Sheet Metal. Mr. Booth, will operate from Kembrey Engineering in Swindon.

★

Mr. C. H. Wallis, a joint managing director of the HOVERING- HAM GROUP, is to retire on March 31, to devote more time to his family interests. He will relinquish all his executive appointments in the group but will remain as a non-executive director of Hoveringham Stone.

★

Mr. Peter M. Davidson has been appointed managing director of SWIFT, a subsidiary of Tor Line.

★

Mr. L. D. Cotton has been appointed a director of MATHESON GILL AND DUFFUS.

★

Mr. T. A. Preston has been appointed production director of FISONS FERTILIZER DIVISION from April 1. He succeeds Dr. J. G. Hunter, who continues as deputy chairman of the division and retains overall responsibility for production, research and development and safety and environmental matters.

★

Following the acquisition of SOUTHERN MICROWAVE LABO- RATORIES by Product Application Engineering and Development Group, through its subsidiary Credowan, Mr. Denis Shirley has been appointed chairman and Mr. Brian Lewis takes over as managing director. Mr. Bill Boden and Mr. John Shell continue as directors of Southern Microwave Laboratories, being responsible for technical developments and research.

★

Mr. A. G. Coles has been appointed secretary of ESSO PET- ROLEUM COMPANY from April 1 and will continue as the company's legal adviser. He succeeds Mr. E. S. Kirk, who is retiring.

★

Mr. C. H. Grinsted has been appointed company secretary of SHELL U.K., succeeding Mr. G. S. Simpson, who has relinquished that post but continues as finance director of the company.

★

Mr. L. A. Wadham has joined the Board of LONSDALE SYSTEMS as a non-executive director.

Tories toast Ilford North victory

THE Conservative victory in Ilford North was still being toasted yesterday morning—with cups of tea—by Mr. Vivian Bendall, the constituency's new MP, and his wife Ann.

Mr. Bendall, an estate agent, overturned a Labour majority of 778 to take the seat by 5,497 votes, a swing of 6.93 per cent. against Labour. The by-election brought a 69.5 per cent. turn-out from an electorate of 64,836. The result was

Mr. V. Bendall (Con.)	22,548
Mrs. T. Jowell (Lab.)	17,051
Mr. J. Freeman (Lib.)	2,248
Mr. J. Hughes (Nat. Front)	2,126
Mr. T. Iremonger (Ind. Con.)	671
Miss Carole Rowe (People's Front)	89
Mr. A. Burr (New Britain)	48
Lt. Cdr. W. G. Boaks (White Resident)	38

Majority 5,497
Poll 69.3 per cent. Swing to Con. 6.93 per cent.

OCTOBER, 1974: Mrs. M. Miller (Lab.) 20,621; Mr. T. Iremonger (Con.) 19,843; Mr. G. L. Wilson (Lib.) 8,080; Labour majority 778.

Only the Conservatives, with 50.3 per cent. of the vote, and Labour, with 38 per cent., kept their deposits. The Liberal vote slid from 16.6 per cent. in the October 1974 general election to 5 per cent. The National Front, which did not contest the last election, took 4.7 per cent. of the vote.

Thursday night's result leaves Labour with 307 seats in Parliament, the Tories with 283 and the Liberals with 13.

Tether tells tribunal of 'mean' behaviour

MR. C. GORDON TETHER, former Financial Times columnist, complained yesterday about the "mean and almost secretive" way the paper had dealt with his departure.

Mr. Tether, 64, who wrote the Lombard column in the Financial Times for 21 years, claims he was unfairly dismissed 16 months ago after a long controversy about the control of the editor, Mr. Fredy Fisher, over his daily column.

He told an industrial tribunal hearing his reinstatement claim that the notice in the paper saying he would no longer be writing the column presented a misleading picture.

It suggested that he had stopped writing but the truth was that he had been stopped, he said.

The departure of a writer of international renown would have been the occasion of a notice of some substance, with a tribute, and the circumstances clearly spelt out, he said. The fact that this did not happen created an air of suspicion about the way in which he had gone.

The sudden, dramatic character of his departure followed in a few days by this enigmatic note meant that he set off for this new part of his life under a cloud.

"It was very mean, on top of all the other meannesses, to present my exile to the world in this way," Mr. Tether said.

He protested that comments made by the tribunal had suggested that he had been behaving in an immoderate manner during the proceedings.

He asked for clarification of a passage in Thursday's ruling on admissibility of certain evidence.

Mr. William Wells, QC, the chairman said the tribunal hoped that "some moderation" on Mr. Tether's part would promote smooth and speedy conduct of the proceedings.

Mr. Tether also complained about comments made by Mr. Thomas Morison, counsel for the Financial Times, during the hearing. He claimed that Mr. Morison had said that he had made personal attacks on him, insulted him, and expressed himself in immoderate language throught the case.

"These allegations are serious enough but what really makes them a matter for concern to me is that they would appear to touch upon one of the issues in the case itself—the Financial Times' contention that unreasonable and immoderate behaviour on my part was one of the factors that led to my dismissal," Mr. Tether said.

He also complained about "unpleasant insinuations" by Mr. Morrison.

Mr. Wells replied that the tribunal meant by its comments that the usual courtesies between advocates should be maintained.

Mr. Tether said that he received legal advice not to attend a meeting in the editor's office—sponsored by the Newspapers Proprietors' Association and the National Union of Journalists disputes committee. He said he had participated in the disputes procedure all the way through and had done all he could to bring the matter into focus.

Mr. Tether said that he believed the committee would continue to investigate the dispute, and had been told by an NUJ national organiser that there was another stage of the procedure.

He had relied on that assurance but it meant nothing when he was instantly dismissed, much as an employee who had committed some serious misconduct.

Mr. Tether told the tribunal that he would have thought Mr. Fisher big enough, once matters before the tribunal had been sorted out, to ensure that what had happened would be set behind them.

He would be able to get on successfully with Mr. Fisher as a writer of a column of the type he was writing before these developments.

The hearing was adjourned until next Wednesday.

BRUNNER INVESTMENT TRUST LIMITED

The following is the statement of the Chairman, Mr. T. B. H. Brunner, circulated with the Report and Accounts for the year ended 30th November, 1977.

Stockholders will note from the Annual Report that in 1977 the Trust's gross income increased by 16.4% to £1,023,821 and net income (i.e., after providing for administrative expenses, interest payments, taxation and payment of the dividend on the Preference stock) increased by 17.6% to £573,398. Consequently your Board was able to declare a higher interim dividend of 1.60 pence per unit, and now recommend payment of a higher final dividend of 1.95 pence per unit resulting in a total distribution for the year of 3.55 pence per unit (2.95 pence in 1976). Stockholders will further note that invested funds at 30th November 1977 were valued at £21,550,006 (£14,739,448 in 1976) and that, after deducting prior charges at par and net current liabilities, such funds were worth 24.5 pence per 25 pence unit, an increase of 43% over the previous year. In the same period the FT Actuaries All Share Index rose by 61.6% but the Standard and Poors Composite Index fell by 7.1% (16.2% after adjusting for the U.S. dollar premium and the exchange rate).

The rise in gross income to over £1 million in this the Trust's 50th year of operation owed in the main to welcome gains in U.K. and foreign investment income. Although further useful gains from these sources may be expected in 1978 these are unlikely to be on such a scale as to allow your Directors to recommend the same proportionate increase in total distribution to Stockholders next year.

The Historical Record on page 15 of the Annual Report indicates a substantial reduction in the proportion of investments held in the U.S.A. This resulted from the greatly superior performance of the U.K. equity market in 1977. In 1978 I believe it may be the turn of the U.S. market to gather strength but this is unlikely to precede a revival of confidence in the dollar and in Mr. Carter's Administration.

A year ago I promised Stockholders that they would be advised of any material change in the financing of the Trust's assets. I should therefore report that in September your Board arranged a U.S.$2 million overdraft facility from Kleinwort Benson and that in December this was increased to U.S.$3 million. The proceeds of the overdraft are being used primarily to increase the U.S. dollar component of the Trust's portfolio at a time when certain U.S. common stocks look attractively valued.

Mr. G. M. Duthie, a member of the Board since 1969, resigned on 4th November to take up an appointment with B.A.T. Industries. Mr. Duthie's counsel has been much appreciated by his colleagues, and we wish him well in his new responsibilities. In his place we have invited Mr. J. F. H. Trott, a director of Kleinwort Benson, to join the Board. At the forthcoming Annual General Meeting Stockholders will be asked to confirm Mr. Trott's appointment.

The Annual General Meeting will be held on Friday, 31st March, 1978, at 12.45 p.m. at the Company's registered office, 20 Fenchurch Street, London EC3P 3DB. Copies of the Full Annual Report are obtainable from the Secretary at that address.

The Cardinal Investment Trust Limited

Extracts from the Report and Accounts and the Statement of the Chairman, Mr. R. H. Wethered.

● The year in brief	1977	1976
Total revenue	£1,090,419	£986,640
Revenue before taxation	£707,626	£612,157
Earnings per share	4.08p	3.53p
Dividends on deferred capital	3.9p	3.3p
Valuation of investments	£20,224,540	£16,303,680
Invested in equities	90.90%	92.89%
Invested in Great Britain	63.40%	51.99%
Invested in overseas companies	36.60%	48.01%
Net asset value per share	147½p	122p
Net asset value of £100 of convertible loan stock	£119.54	£98.66

● Income:
For the first time total revenue has exceeded £1 million.

● Dividends:
The total of 3.9p for 1977 represents an increase of 18.2% over last year and maintains our policy of improving income to the greatest possible extent without jeopardising capital growth.

● Assets:
Net asset value of the deferred shares increased by 20.9%. The discount as measured by the market price narrowed from 40.2% to 28.9% at the year-end, an improvement but still too large a discount.

Copies of the Report and Accounts may be obtained from the Secretary.

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The last few years have been particularly disappointing for investors in America.

Share prices, as measured by the Dow Jones Industrial Average are now standing near their three year low, selling on a yield of 5.5% and a price earnings multiple of 8.5%.

Equities are depressed, largely due to the current balance-of-trade deficit, and the consequent weakness of the dollar.

The American Stockmarket has become cheap relative to the normal investment yardsticks which have prevailed over a number of years, and we do not foresee a return to the very low yield and high price earnings ratios which characterised the late 60's and early 70's. We do, however, believe that, with share prices at their present levels, investment in America has prospects of substantial gains over the medium- and long-term.

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Brighter year ahead

BY ARTHUR SANDLES

SEVERAL factors have made the swimming pool industry feel a bit more cheerful this year in anticipation of a livelier market than has been the case recently. Topping the list is the way in which the property market gives every appearance of being on the move again. Whether or not a swimming pool dramatically affects the value of your property is arguable, and fiercely argued, but certainly while the house market was stagnant investment in a pool was faced with yet another question mark.

Another factor bringing faint smiles back on to the faces of pool producers and equipment suppliers is the slight improvement in financial optimism in the U.K. More people seem willing to reach for their cheque books than might have been the case two years ago.

Fortunately for purchasers the lean years that the business has seen of late has thinned the ranks of suppliers somewhat. Traditionally it is an industry which attracts here-to-day-gone-to-morrow operators, much to the irritation of the large corps of reliable companies, and the poor years have taken their toll of the weaker brethren.

However, buyers should still beware of the seemingly amiable chap who knocks at the door and offers to build a swimming pool. It is a highly specialised business which requires considerable experience and expertise. There is no particular reason why this experience should be gained at your expense. Mistakes in pool construction are dauntingly expensive to correct, even if such correction is possible.

It is impossible to give any sort of sensible guide to the cost of a pool. A simple plastic above-the-ground affair may only carry a price tag of a few hundred pounds, while something elaborate will cost several thousands. None the less, as with most products, the customer who sticks closest to the standard range is likely to be the one with the least financial shocks. Freeform pools may appear very glamorous, but they can involve you in additional design and construction costs.

The other factor against being too fanciful in the design of your pool is its resale value. A future house-buyer may actually be put off by the odd-shaped pool which so much took your fancy on the design board. Straightforward rectangular pools seem to have the purchase edge when it comes to resale potential.

Even in choosing such a pool you should still spend a great deal of time thinking about its future use before signing on the dotted line. Factors such as depth or width are of rather more than decorative importance.

For example, most adults, even non-swimmers, like a decent area of water between 3½ and 5 ft. for splashing around in, and all too often a pool designer will plunge you too quickly from a children's area to diving basin. If you intend having a diving board then it is unlikely that you will want to risk much less than 9 ft. water depth under it and a good run of deep water before the shallows start.

Again, for resale purposes, even if you do not intend diving, the provision of sufficient depth may be a telling point if keen swimmers are looking at your property. Remember that the higher the board you intend having the greater the depth you will require, and a great length of recovery water.

Something else that purchasers often overlook is the need for coping and decking around a pool, which considerably increases not only the space required but also the visual impact of the pool. A 25 x 40 ft. pool therefore requires something around 31 x 46 ft. in area. All too often pools are constructed which dominate the garden area rather than providing a focal feature.

It has been interesting to see how lately British pool producers and equipment makers have been making greater and greater concessions to our weather and to the costs of fuel. It is very tempting when you first have a pool to keep the temperature of the water up to comfortably near boiling. Unfortunately, such enthusiasm for warmth tends to wane when the first gas/oil bills come in. There are, however, a variety of systems for both enclosing pools (including one which supports a bubble over the pool with gentle air pressure and requires no structural support) and for covering the water itself to prevent heat loss when the pool is not in use.

Making a choice

ANYONE deciding to invest in a pool is likely to need all their enthusiasm to carry them through even the first wave to technical facts and figures which suppliers are likely to throw at them. The consumer, eager only to have his pool ready for family and friends by the first warm day of Spring, should bear in mind two factors—whatever the technology the pool has to be strong enough to hold several tons of water for several years, and yet withstand pressure from outside when it is empty and "floating."

It is absolutely essential that the pool installer knows something about the ground he is building on and is confident about the strength of the foundations. There are many who will tell you, with some conviction, that the most important part of swimming pool construction is the hole into which the thing goes.

The type of soil you have can seriously affect your costs. Very wet conditions, or the presence of some underground stream, rock and sand can all bring trouble to the builder, along with the more predictable worries of finding out where the mains supplies and drains run through your garden and discovering whether you can actually get a suitably sized earth mover into your site.

I once saw a swimming pool built in Chelsea which needed every shovelfull of soil to be carried out, by bucket, through the little, but highly priced, terraced house behind which it was being constructed.

Your pool supplier is likely to offer one of four types of pool—concrete, plastic, fibreglass and metal — and really all of them have arguments in their favour.

● The concrete pool comes in a variety of forms. Gunite is a system of firing very dry cement around steel reinforcing rods and normally directly to the soil. The cement is literally shot from a special gun and has the advantage of considerable flexibility in pool design and in the speed with which the material hardens. The pool shell is later hand finished.

Poured concrete, either into forms or against masonry, is still used, and these too allow you to exercise your whims over the pool design.

● Metal, either steel or aluminium, is increasingly used. The advantage here is the considerable natural strength of the materials and therefore they are particularly employed when site conditions make other materials difficult to employ or expensive. Both can be used for larger above-the-ground pools. Obviously you normally have to choose a pool shape from a standard range. These pools will normally be lined with:

● Vinyl, one of the most favoured mediums for those who are determined to construct a do-it-yourself pool. Vinyl's attraction is that the pool wall does not have to be completely waterproof. It does, however, need to be free of the sort of cracks or projections which might wear the lining.

● Fibreglass has tended to be used for the smaller pool. Its advantage is lack of maintenance. Even the colour can be built in right through the pool materials. Many of the pools offered on the British market to-day are fibreglass with vinyl liners. Early fibreglass pools suffered from problems resulting from ground stresses and from chemical reactions, but these have been overcome and reputable manufacturers will ensure that you have a stable pool with an impressively long life.

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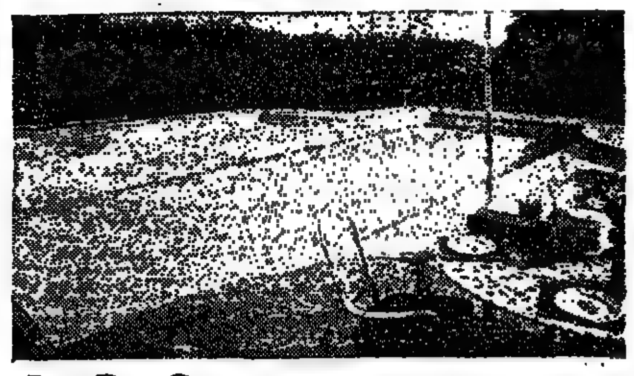

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Landesbanks: restoring a tarnished image

BY GUY HAWTIN in Frankfurt

THE AMAZING thing about the West German Landesbanks," an American banker here once remarked to me, "is their ability to lose huge sums of money and still survive."

This somewhat jaundiced comment encapsulates the attitude of many foreign observers to one of the Federal Republic's most powerful banking sectors. Similar views can often be heard from German private bankers — only the amazement is missing.

Certainly, the Landesbanks have provided the banking community with plenty of gossip in recent years. Hessische Landesbank's shareholders have had to write off losses amounting to well over DM2bn, after a series of soured deals in the first half of the decade. The prestige of the West-Deutsche Landesbank, the Federal Republic's third largest bank in balance-sheet total had scarcely recovered from the 1974 foreign exchange losses, when it was rocked by a political slanging match following the resignation of Herr Ludwig Poullain, its architect and chief executive.

Herr Poullain, the man who probably did most to lead the Landesbanks into the international market, gave up his post after accusations that he had behaved improperly in accepting an advisory contract from a property concern which later went bankrupt. He defended himself vigorously and the row that ensued resulted, among other things, in the resignation of the Finance Minister of North Rhine—Westphalia.

The Landesbanks' primary function is to collect and redeploy the surplus liquidity of the public authority-owned savings banks. Some Landesbanks also act as central banks to their individual federal states and some act as central clearing houses for the Giro. While all of them have local or state politicians on their supervisory boards, not all have their equity split between the state and the savings banks.

West Germany, unlike Britain or the U.S., has a universal banking system. Investment banking is not separated by law from the commercial side of the business and, therefore, German banks usually offer the whole gamut of services under one roof. The Landesbanks and their savings bank shareholders compete actively for business with the commercial banks and the large co-operative banking sector.

By any yardstick they are very large banks indeed. The West-Deutsche Landesbank has a balance sheet total of over DM75bn., while the Bayerische Landesbank Girozentrale boasts total assets of DM55bn. Hessische Landesbank's total assets amount to DM40bn. and even the seventh largest in the league, Badische Kommunale Landesbank Girozentrale, has total assets of more than DM15bn.

It was not until the mid-to-late 1960s that the Landesbanks became in any way controversial. Before then they were very much concerned with their domestic business and played a particularly strong role in the post-war reconstruction of German industry. They were far better placed than the commercial banks, for instance, to finance the various sections of pre-war industrial empires, such as Krupp and I.G. Farben, split up by the victorious allies at the war's end. Nobody had much idea of what effect the industrial dispersal would have on the sundered companies and the commercial banks had neither the same access to long-term funds nor the ability to shoulder the bulk of the unknown and unassessable risks involved in such projects.

If the West German commercial banks came relatively late into the post-war international arena, the Landesbanks were even later. They were, to use the old metaphor, the sleeping giants of the industry. But when they did enter the market, it was apparent that the large ones, at least, were determined to make up for lost time.

What impelled them into the market in the first place? Good old-fashioned market forces appears to be the answer. Herr Hans Berndt, Badische Kommunale's director in charge of overseas business, said that much of the pressure to increase foreign activities came from their savings bank shareholders.

"The savings banks had been facing more and more competition from the branch banking operations of the large commercial banks. Customers in small and medium-sized industrial companies needed the foreign facilities offered by commercial banks to conduct their export business. It did not take the savings banks long to discover that if they were unable to offer the same overseas services as the commercial banks, they would not only lose the foreign business but also all the custom," he said.

It was quite impossible for small, locally-based savings banks to build up their own overseas banking network, said Herr Berndt, and, naturally, they turned to their Landesbank to provide the service. Dr. Heinz Sippel, the man charged with putting the Hessische bank back on its feet after 1974's huge losses, agreed. But he also pointed out that, in the heavily industrialised areas particularly, the Landesbanks themselves had started the move into the overseas market.

The Landesbanks, like any other banks, actively sought business and, naturally, were soon advancing loans to German exporters. As the "economic miracle" got under way, and the deutschemark regained convertibility, the Landesbanks found themselves more and more in the business of financing foreign importers for specific deals with West German companies.

"German companies would point out to us that the loans they took out would, in effect, be passed on to a foreign importer and that they were businessmen and not bankers. The logical thing of course was for us to do the business direct and save our German client the paperwork," said Dr. Sippel.

Dr Walter Seipp, deputy chief executive of West Deutsche Landesbank and head of its foreign operation, put it more bluntly: "The size of the market was such that no bank could ignore it." Dr. Hans Peter Linss, who is in charge of the Bayerische Landesbank's foreign business, suggested that, although the municipally owned savings banks had a large slice of Germany's savings business, they had a much smaller share of the industrial lending business and the Landesbanks had a duty to see that their sector had a proportional interest in Germany's foreign business.

If the move into overseas business was a natural and pragmatic development, rather than a vainglorious rush into an area of massive potential profits, why the high losses reported by some of the banks in recent years? Dr. Linss pointed out that the West Deutsche Landesbank's foreign exchange losses happened under unusual circumstances that could have affected almost any bank, while Hessische's massive write-offs were almost entirely attributable to domestic market operations.

Certainly many bankers in the private sector would hotly dispute that the circumstances of the West Deutsche Landesbank's foreign exchange losses could have arisen in their banks. However, it should be pointed out that they resulted from an attempt by a senior member of the staff to recoup foreign exchange losses by further speculation—circumstances not without historical precedent.

Many private bankers contend that the losses arose because of the relative lack of experience of the Landesbanks in new areas of operation. Dr. Seipp pointed out that at the time that the West Deutsche's losses occurred no bank had had enough experience in dealing with a wildly fluctuating foreign exchange market. "The foreign exchange business is a negative business in that your profit is always another man's loss. The business is, of course, essential if you want to offer clients the full range of foreign services and, I can say, that since 1974 the West Deutsche has not lost a pfennig in its foreign exchange business."

What of the Hessische Landesbank's loss in the property market? Dr. Sippel pointed out that the savings banks and Landesbanks have always been in the property business. Financing local development through their building societies has for long been a primary obligation of the savings banks, the leading shareholders in the Landesbanks.

However, he agreed that during the property boom of the late 1960s and early 1970s their normally conservative specialists in property abandoned their normal caution. Many commercial banks behaved in the same way, he said. Some of the Hessische's property losses were so spectacular that they will never be recovered, but, said Dr. Sippel, a large proportion of them looked not half so bad now as at the end of 1974. A property portfolio could not be looked upon a purely short-term investment.

Dr. Heinz Sippel—head of the Hessische Landesbank.

Dr. Walter Seipp—deputy chief executive of the West Deutsche Landesbank.

Contentions from the commercial sector that the political representation on the supervisory boards of the Landesbanks makes it difficult for them to pursue a strictly commercial policy are perhaps more difficult to deal with. Herr Ludwig Poullain's resignation as chief executive of the West Deutsche was preceded by a political row at least ostensibly about the bank's overseas business stance. The major political debacle that followed ended in the resignation of the North Rhine-Westphalia Finance Minister.

Most Landesbankers seem agreed, however, that the clash between Herr Poullain and some of the politicians on the Bank's Board was a clash of personalities, and that the Bank's overseas business policy was not really in question. Indeed, since Herr Poullain's departure the bank has been at pains to assure Press and public that no change in policy is contemplated.

Dr. Seipp insisted that political consideration did not figure in the supervisory Board's decisions. These, he said, were made on strictly commercial considerations.

Dr. Sippel said that he had never suffered from political pressure at Board level and that nobody had asked him his politics when he was asked to take up the job. He also has the right of vetoing the supervisory Board's appointments to the management Board.

Shareholders, however, have rights, as Dr. Sippel has pointed out. While 80,000 shareholders in a commercial bank could do very little to assert themselves —thus effectively putting total management power in the hands of the executive board—the two blocks dominating Landesbanks' supervisory boards meant that shareholders could exert far more influence. The Landesbanks' supervisory boards, because of their nature, were much more open than those of the commercial banks. The public's "right to know" meant that the Landesbanks had not the same chance to hide their errors as the commercial banks.

But the politicians are not without influence. One leading banker at a smaller Landesbank told me that the local mayors on his Board were not so keen on expenditure to develop foreign business as the directors from the savings banks. Dr Sippel said that politicians were, naturally, interested in developing depressed areas within their State but if risks could not be justified commercially, then the State Government would be asked to issue a guarantee.

The crux of the question, however, is whether the "Poullain Affair," coupled with past mistakes, will mean a change in direction for the Landesbanks. The answer is almost certainly that the present course will be maintained.

If nothing else, market forces dictate that the Landesbanks will retain their growing interest in foreign business. The domestic industrial lending business remains slack with little hope of major improvement this year. Consumer credit demand may well pick up further, but this is unlikely to change the Landesbanks' overseas business policy.

Dr. Seipp emphasised that the West Deutsche's policy remained unchanged, although the rate of expansion was bound to tail off as the foreign business base grew.

A FINANCIAL TIMES CONFERENCE ON

THE MEADE REPORT

Hotel Inter-Continental, London

APRIL 6-7 1978

The Financial Times, in association with the Institute for Fiscal Studies, is organising a conference on the Meade Report at the Hotel Inter-Continental, London on April 6 and 7.

Professor J. E. Meade, Chairman of the committee which produced the report "The Structure and Reform of Direct Taxation", and the deputy Chairman Mr. D. J. Ironside together with their colleagues, as well as Mr. Dick Taverne, Q.C., Director of the Institute, will be explaining the proposals and giving answers to the comments that will be made on them.

City, industrial and trades unions' views on the Meade Report will be presented from their individual standpoints by leading speakers from these areas.

The conference will allow substantial opportunity for questions and discussion.

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WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Small gains in majority

BY OUR WALL STREET CORRESPONDENT

NEW YORK, March 3.

SMALL GAINS were in the majority on Wall Street to-day, although the close was below the best.

After opening 2.16 up at 748.61, the Dow Jones Industrial Average finished at 747.31, a net gain of 0.86, and reducing its loss on the week to 8.93. The NYSE All Common Index, at $48.67, was up 7 cents on the day but down 52 cents on the week. Rises led falls by 734 to 552, while the trading volume was little changed at 20.12m. (20.28m.) shares.

The market opened higher on a report yesterday, the U.S. Money Supply declined modestly in the latest statement week and on reports the dollar advanced in Europe.

But investors were cautious in advance of the week-end voting by coal miners on the proposed contract with bituminous coal operators.

Ford Motor added $¾ at $43⅞ on a 20 per cent. rise in late February car sales, while Chrysler shed $¼ to $10⅝ on late February sales down 27 per cent.

Getty Oil climbed $6¾ to $160 on a four-for-one stock split.

United Nuclear jumped $3¼ to $37⅛ on winning its suit against General Atomic.

Emery Industries fell $6⅛ to $18¾ on a revised offer.

Tymshare lost $2¼ to $18¾—it reported lower fourth quarter but higher year net earnings.

Shaklee dropped $2 to $20 on cuts in estimated earnings.

THE AMERICAN SE Market Value Index rose 0.03 to 123.09, reducing its loss on the week to 0.78.

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Sony Corp.	278,600	7⅞	+ ⅛
Lawter Chemicals	236,300	9⅝	+ ⅛
Marshall Field	225,500	23⅜	+ ⅛
Reserve Oil Gas	224,100	13⅛	+1⅛
Amer. Airlines	193,800	9⅛	− ⅛
Kennecott Copper	187,800	23⅞	+1⅛
Westinghouse Elec.	187,000	17⅛	+ ⅛
IBM	178,900	245	−4
Cooper Laboratories	176,500	26	− ⅛
United Nuclear	169,700	37⅛	+3¼

OTHER MARKETS

Canada higher

With the exception of Golds, which dipped 8.4 to 1,337.8, all other sectors gained ground in moderate trading on Canadian Stock Markets yesterday.

The Toronto Composite Index put on 4.0 to 1,014.3, Metals and Minerals 2.1 to 783.5, Oil and Gas 9.2 to 1,335.1, Banks 3.51 to 246.05, Utilities 0.61 to 163.26 and Papers 0.47 to 93.99.

PARIS—Rise continued but at a slower pace than previous two days.

BRUSSELS—Mostly lower in very quiet trading.

Gevaert up Frs2 to Frs.1,236 on increased 1977 dividend and earnings.

U.K., German and French stocks rose, Dutch and Canadian little changed. U.S. mixed.

Gold Mines rose.

AMSTERDAM — Quiet and mixed.

Internationals little changed.

Transports widely mixed, Bankings weaker.

Dealings in KSH suspended.

OSLO—Bankings and Industrials quiet, Insurances and Shippings easier.

COPENHAGEN—Mixed in moderate dealings. Banks, Insurances and Shippings higher, Commodities also generally up. Communications and Industrials mixed.

VIENNA—Market continued easier. Constructions edged lower, Breweries irregular.

SWITZERLAND—Markets edged lower in light volume, after recent heavy turnover following ban on foreign purchases of Swiss stocks and bonds.

Banks eased over a fairly broad front, including Bank of Switzerland despite its better results for 1977 and proposed capital increase.

Financials and Insurances barely steady.

EG-Laufenburg slightly higher on proposed capital increase.

GERMANY—Slightly higher, reflecting lack of any Foreign Exchange control decisions by Bundesbank.

Gains chiefly in secondary stocks, with major Chemicals, Banks and Steels largely neglected.

Public Authority issues put on up to DM0.30. Bundesbank sold DM6.3m. nominal of stock. Mark Foreign Loans also higher.

MILAN. Mixed in fairly active trading.

Leading Industrials showed fair gains. Financials irregular.

TOKYO—Higher in active trading, in anticipation of an early official discount rate cut. Volume 370m. (390m.) shares.

Electricals and Cameras rose.

Rico gained Y16 to Y507 and Canon Y14 to Y470 on good earning prospects.

AUSTRALIA—Some Industrials rose on selective demand, while bargain hunting helped some Mining leaders.

Bank of New South Wales rose 6 cents to $A5.16, while other Banks were mixed.

In Golds, Central Norseman put on 10 cents to $A9.00.

HONG KONG—All sectors advanced sharply, except Textiles, in very active trading, attributed to abolition of stamp duty and the generally bullish Budget.

JOHANNESBURG—Gold shares firmer in modest trading.

Ergo rose 25 cents to R5.50 on gold and uranium production reports.

Financial Minings mostly harder in light trading, Platinums steady, Coppers better.

Industrials narrowly mixed in slack trading.

Indices

NEW YORK—DOW JONES

N.Y.S.E. ALL COMMON

Mar. 3	Mar. 2	Mar. 1	Feb. 28	1977/78 High	1977/78 Low
48.67	48.60	48.48	48.45	57.07 (4/1/77)	48.48 (28/2/78)

Rises and Falls

	Mar. 3	Mar. 2	Mar. 1
Issues traded	1,920	1,936	[illegible]
Rises	734	740	634
Falls	552	578	668
Unchanged	634	618	630
New Highs	36	19	10
New Lows	81	77	107

MONTREAL

STANDARD AND POORS

	Mar. 1	Feb. 22	Feb. 15	Year ago (approx.)
Ind. div. yield %	5.57	5.47	5.55	4.15
Ind. P/E Ratio	8.40	8.45	8.57	10.85
Long Govt. Bond yield	8.23	8.27	8.26	7.76

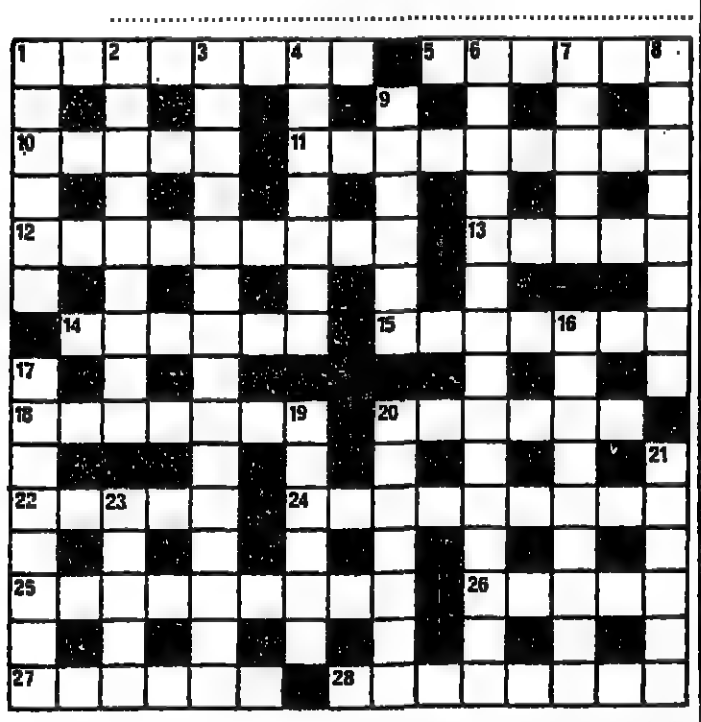
Indices and base dates (all base values 100 except NYSE All Common — 50 Standard and Poors — 10 and Toronto 300-1,000, the last named based on 1975). † Excluding bonds. ‡ 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (¶) Sydney All Ord. (||) Belgian SE 31/12/63. (**) Copenhagen SE 1/1/73. (††) Paris Bourse 1961. (‡‡) Commerzbank Dec., 1953. (§§) Amsterdam. Industrial 1970. (¶¶) Hang Seng Bank 31/7/64. (|||) Milan 2/1/73. (a) Tokyo New SE 4/1/68. (b) Straits Times 1966. (c) Close. (d) Madrid SE 30/12/77—high and low for 1978 only. (e) Stockholm Industrial 1/1/58. (f) Swiss Bank Corp. (u) Unavailable

F.T. CROSSWORD PUZZLE No. 3,609

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



ACROSS

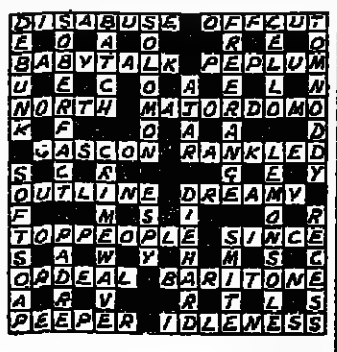
1 Quarry several find playful (8)
5 A large number with tender chest (6)
10 Mistake by fishmonger preparing plaice (5)
11 Man's legs end in yard (5, 4)
12 Ruin finished cast (9)
13 Holiday centre recently stolen by the Spanish (5)
14 Thwarted dunderhead one took off (6)
15 He works by the way (7)
18 Notice mud to right of fan (7)
20 Insect from Channel Islands caught by girl (6)
22 Permit key to become out of date (5)
24 When the S.30 is cancelled, passengers are left without instruction (9)
25 Lake possibly that girl would regard as turning point (9)
26 Did well when boarded (3, 2)
27 Barge goes a news item (6)
28 Quiet people with stamina need more than one dressing (8)

DOWN

1 Ape famous historian (6)
2 Stylish trick is kind to one sergeant-major (9)
3 Injured porter (9, 6)
4 Married going round ancient city when fully developed (7)
6 Running costs concerning chief priest's flock (8, 7)
7 Street for those going to press London flower (5)
8 Remarkably brisk though somewhat noisy (8)
9 Manufacturer working to the bitter end (6)
16 Parisienne leaving South of France on clear note (9)
17 Chap might make labour available (8)
19 Hooligans wearing fancy neckwear they say (6)
20 Cronin's strong point (7)
21 Handsome chap said no for a change (6)
23 Didn't go to bed until day finished (3, 2)

Solution to Puzzle No. 3,608

SOLUTION AND WINNERS OF PUZZLE No. 3,603



Following are the winners of last Saturday's prize puzzle:

Mr. Michael Montgomery, 14, Randolph Avenue, London W9 1BP.

Mr. A. G. Pratley, Park Lodge, Horton, Northants.

Mr. E. G. Smith-Wright, Shrubbs Farm Cottage, Ford Road, Chobham, Surrey.

Midnight Court can break Dawn

RACING

BY DOMINIC WIGAN

FORT DEVON has come through his final Cheltenham "preparatory" with flying colours and now his only serious market rival, Midnight Court, is to put his reputation on the line. This afternoon, Fort Devon's top-class rival will try to maintain his unbeaten record for the season in Newbury's Morgan Grenfell Geoffrey Gilbey Chase.

The 2½-miles—principal prize in a programme in aid of the Greater London Fund for the Blind and the Berkshire Blind Society—may be on the sharp side for Midnight Court, but I feel reasonably confident that his class will carry him through.

I hope to see him control proceedings early in the home straight (as he did when clearing Master Spy two fences from home in the SGB Chase at Ascot) and winning at the expense of last year's winner, Even Dawn.

In spite of the withdrawal of the Irish pair Tunzenberg and Hippolito, the Philip Cornes Saddle of Gold Hurdle remains an intriguing event.

Here Ballyfin Lake, winner of his last three races, bids to beat Lighter. I feel that Lighter, exceptionally impressive when defeating Nimrody by 10 lengths at Haydock last time out, will prove too smart.

NEWBURY
1.30—Major Thompson
2.00—Jan Stewer
2.30—Lighter*
3.00—Midnight Court
3.30—Goose Pimple
4.00—Timmie's Battle

HAYDOCK
1.45—Apple Princess
2.15—Rambling Jack
2.45—Bootlaces
4.15—Mark Henry

HEREFORD
1.45—El Cardo
2.50—Nescio
3.55—Nimrody***
4.25—High Prospect**

MARKET RASEN
1.30—Charbonnier
2.00—More Luck
2.35—Cavity Hunter
4.40—Choral Prince

Bankers forecast dollar weakness will continue

BY ANTHONY ROWLEY

SINGAPORE, March 3.

CONTINUED WEAKENING of the U.S. dollar, coupled with a further strengthening of the yen and possibly with renewed pressure on the pound was forecast by U.S. bankers meeting here to-day.

At their annual international money management and foreign exchange conference, senior officers of Bankers Trust Company—predicted also the continuance of "very nervous" conditions in foreign exchange markets for the short term.

This mood would continue "probably until later this year when we would expect to see some emerging improvement in the monthly U.S. trade figures," Mr. Gordon Curtis, senior vice-president of Bankers Trust, said after the meeting.

SPAIN

March 3	Per cent	
Asland	183	—
Banco Bilbao	253	—
Banco Atlantico (1,000)	200	—
Banco Central	303	− 6
Banco Exterior	276	—
Banco General	262	—
Banco Granada (1,000)	152	—
Banco Hispano	203	—
Banco Ind. Cat. (1,000)	166	—
B. Ind. Mediterraneo	182	—
Iberduero	75	+ 1
Inmobanif	89	− 5
Olarra	61	− 1
Papeleras Reunidas	58	− 3
Petroliber	130	—
Petroleos	157	+ 1
Sarrio Papalera	65	—
Sniace	39.50	[illegible]
Sogefisa	120	—
Telefonica	86.75	+ 1.25
Torras Hostench	101	− 5
Tubacex	95	− 1
Union Elec.	67.25	[illegible]

OVERSEAS SHARE INFORMATION

NEW YORK

CANADA

GERMANY

PARIS

AUSTRALIA

TOKYO

STOCKHOLM

BRUSSELS/LUXEMBOURG

AMSTERDAM

COPENHAGEN

SWITZERLAND

BRAZIL

MILAN

OSLO

VIENNA

JOHANNESBURG

Securities Rand $U.S.0.83 (Discount of 27.8%)

INTERNATIONAL FINANCIAL AND COMPANY NEWS

CANADA

V-und W dividend rate cut

By Darrell Delamaide

HAMBURG, March 3

VEREINS-und Westbank, West Germany's largest regional bank in the North, has come up with 1977 net profits 10.1 per cent. higher, at DM28.1m. ($13m.). The dividend rate is cut from DM10 to DM9 per share.

V-und W is the first among the major listed banks to report its results and usually provides a review of what to expect from the Frankfurt "Big Three." The report, including the dividend recommendation, is much as expected, incorporating total assets up 17.2 per cent. to DM7.34bn. (a good third of that increase due to takeovers) and a 15 per cent. rise in operating income.

Management Board member Hans Joachim Bechtold noted the effects of Germany's corporate tax reform on the bank's dividend policy—and retained profits. The overall 1977 dividend for domestic shareholders, would be DM14.06 (up 41 per cent.) including an associated tax credit. The figure for distributed profit would be down from DM17.9m. to DM16.1m. but retained earnings would be 72 per cent. higher at DM10m.

Herr Bechtold commented on the need to keep a strong equity base in these uncertain economic times. Outside observers were more interested in the apparent flexibility in dividend policy which V-und W's figures seem to indicate. Deutsche Bank and Dresdner have already signalled that they may cut the cash dividend by only DM0.50 to DM9.50.

KSH seeks to suspend payment

BY CHARLES BATCHELOR

AMSTERDAM, March 3.

THE TROUBLED starch and foodstuffs group, Royal Scholten-Honig (KSH), has asked to be allowed to suspend payments following the withdrawal of Government guarantees to make up losses from February. The manager appointed to supervise the restructuring of KSH, Mr. R. F. van Heusden, has resigned in protest at the Government decision. The company's shares were to-day suspended on the Amsterdam Stock Exchange.

Mr. van Heusden, a former director of the trading group Ogem, took over the reorganisation of KSH last September after Dr. Wiel Hoefnagels, the company chairman, resigned.

The Ministry of Agriculture earlier said it was ready to extend by two months the initial guarantee period running to February 10 if KSH could produce a restructuring plan within that time. Talks with a number of Dutch companies interested in taking over parts of KSH's business have since run into difficulties over the price to be paid.

KSH's Fls.25 nominal shares closed on Thursday at Fls.2 following the release of provisional figures for the 1976-77 year which revealed a net loss of Fls.31.3m. ($14.6m.).

The unaudited accounts and a report on the progress of the restructuring of the company were presented to a shareholders meeting in Amsterdam to-day.

In its annual report it said it has no future as an independent company in its present form, because it lacks the financial resources to recover unaided from the financial set-backs of the past few years.

It is at present negotiating with a number of American, as well as Dutch, companies which are interested in acquiring parts of its business although none of these discussions has yet led to an agreement.

The sluggish level of world demand has meant KSH's major customers, the paper and textile industries, were working at low levels. The company's losses have also led to an increase in interest charges. KSH attempted to diversify into high fructose syrups just before changes in EEC regulation made this uneconomical. It has also had high costs to meet more stringent environmental controls.

Pressure to save Sardinia project

ROME, March 3.

THE COLLAPSE of a £40m. Anglo-Italian project in Sardinia, involving British Petroleum and ANIC, the State chemicals company, could be reversed if the Italian health authorities give an early and definitive ruling permitting the production on a commercial scale of Bioproteins for animal feed.

Italproteine, the joint fifty-fifty venture between BP and ANIC, said earlier this week that the company had decided to liquidate the Sardinian project in the face of protracted delays by the authorities in giving approval for commercial production.

However, the Italian partner is coming under strong pressure from both employer and trade union organisations to hold back any final liquidation decision, and it is understood that the BP Board itself is not as yet unanimous in deciding to terminate the project. Italproteine said on Wednesday that an extraordinary meeting of the company would be called to make the final decision.

The Italian authorities have withheld a decision on commercial production of bioproteins for animal feed pending further investigations into possible health hazards.

Another meeting of the relevant commission of inquiry is to take place to-morrow, and a new but unofficial deadline has been set for March 10 for a final report which, ultimately, would have to be approved by the Minister of Health.

Italproteine sources deny that the announced decision to liquidate the Sardinian operation, where limited experimental production has been sanctioned, was made with a view to bringing further pressure to bear on the authorities, but there are signs that it has had this effect, anyway, including renewed trade union backing for the project.

A final decision by BP, for its part, is likely to be based on whether any qualified ministerial approval would allow commercial production on a sufficient scale to justify the original investment and plant capacity at Sarroch in Sardinia.

One unofficial suggestion is that the Italian authorities may finally give the project restricted approval.

AMERICAN NEWS

Commonwealth Oil files under Chapter Eleven

BY STEWART FLEMING

NEW YORK, March 3.

COMMONWEALTH Oil Refining's year-long battle to avoid bankruptcy came to an end last night when the company filed for protection under Chapter 11 of the U.S. bankruptcy laws. The company, which had revenues of over $1bn. in 1976 and owes banks and other creditors $300m., is one of the largest U.S. corporations to fail, ranking alongside Penn Central Railway and stores group W. T. Grant as a corporate casualty.

The company owns and operates a large refinery on the island of Puerto Rico. With no crude supplies of its own, it was particularly vulnerable to the rise in the price of oil in 1974, and has been incurring heavy losses since 1975. The company has also claimed that changes in Government regulations in the U.S. and Puerto Rico have adversely affected its operations.

Another problem has been rivalries among senior management and litigation between the company and a shareholder.

Since May of last year, Corco has been staving off bankruptcy, initially with the help of Ashland Oil which for several months negotiated to take over the company last November. However, Ashland broke off formal negotiations and last month a supply contract under which Ashland provided Corco with crude oil expired. Since then, the company has been surviving on a day-to-day borrowing arrangement with its banks.

Mr. Gary W. Davis, the company's president, said that Corco was trying to work out a plan in a short period of time which he hoped would enable the company to be discharged from bankruptcy with "renewed viability." The U.S. Bankruptcy Laws under chapter 11 will give the company protection from creditors.

Mr. Davis said that he expects Commonwealth's refinery and petrochemical plants would continue operations and that all of the company's customers will be supplied while the proceedings are pending.

As the lengthy negotiations with Ashland for a rescue takeover suggest the company's assets, and particularly its Puerto Rican refinery, are seen as potentially valuable ongoing operations. Since the company's refinery is the only major petroleum operation in Puerto Rico and supplies most of the island's needs as well as employment for some 2,000 staff, political pressures will also be a factor in the resolution of the company's bankruptcy petition.

Motor industry shutdowns

DETROIT, March 3

CHRYSLER CORPORATION said it will close two of its assembly plants for next week to reduce inventories of new cars on dealer lots.

General Motors Corporation said it has scheduled one-day partial closings at three parts plants in Indiana because of power cutbacks related to the coal strike. GM said plants in Anderson and Kokomo are slated to have production reduced to-day. Another plant in Anderson will be closed partially on Monday. The moves will idle temporarily 5,660 hourly workers.

Chrysler said the temporary closings will be at its Newark, Delaware plant, which builds compact and intermediate-sized cars, and its Windsor, Ontario, facility, which also builds intermediate-sized vehicles. The closings will idle temporarily 9,300 hourly workers.

AP-DJ

EOE applications swell

BY OUR OWN CORRESPONDENT AMSTERDAM, March 3.

THE EUROPEAN options exchange (EOE) has accepted applications for 162 membership seats and by the time trading starts on April 4 this number will be almost 200, according to the Exchange. The EOE now has 65 public order members, 32 floor brokers, 55 market makers and 10 clearing members.

The list of market makers consists of 45 American firms and only two Dutch. However, applications from 10 potential Dutch members are now being vetted. The number of clearing members is unchanged from the first list issued early last month but there may be one or two more after the EOE has opened.

It expects to start as planned on April 4 with the opening ceremony being performed by the Finance Minister, Dr. Frans Andriessen.

The Exchange hopes for a decision from the Bank of England and the Board of Trade within the next few days on rules governing U.K. firm's membership. There is strong interest from Belgium, but some of the smaller firms are having to form groups, so as to meet the costs of the operation. The EOE is holding talks with the Belgian Bourse Commission which may lead to the Commission taking some seats which would be distributed to Bourse members.

The EOE has still not reached agreement with the U.S. clearing institutions to enable transactions in U.S. options in Amsterdam to be cleared through the U.S. system. It has, however, made the Amsterdam market compatible with the U.S. so that the two can work together if agreement is reached.

The exchange floor has the capacity for 80 options and this number could be doubled without too much difficulty. Amsterdam will begin with call options only but puts are expected to be added after a few months.

Negotiations are now under way with the Dutch press for details of trading to be published daily. The EOE does not plan to publish a daily price gazette of its own.

Investment in the EOE so far has totalled Fls.12.5m.

W. R. GRACE & CO.

Fourth Quarter	1977 $	1976 $
Revenue	1.1bn.	1.0bn.
Net profits	30.4m.	28.5m.
Net per share	0.80	0.76
Year		
Revenue	4.0bn.	3.6bn.
Net profits	140.5m.	132.7m
Net per share	3.71	3.51

The First Viking Commodity Trusts

Commodity Trust OFFER 40.5 xd BID 38.5

Double Option Trust OFFER 91.0 BID 86.0

Commodity & General Management Co Ltd
8 St George's Street
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Tel: 0624 4682

WARDGATE COMMODITY FUND
at 28th February 1978 £9.54-£9.93
WCF MANAGERS LIMITED
P.O. Box 73
St. Helier, Jersey
0534-20591/3
Next dealings 31st March 1978

Payments by Uniroyal

WASHINGTON, March 3.

A NEW report on Uniroyal disclosed the tyre maker made more than $3m. in bidden payments overseas, apparently to help agents and customers evade local income tax and currency laws.

Although many other U.S. companies have reported such "accommodation" payments, the Uniroyal's invoices that "the Appointed Special Counsel, provides intriguing new details about the purpose of such arrangements.

As described by Special Counsel Mr. John Peloso in his review of the period from 1971 to 1976, Uniroyal's payments were generally made in third countries or to third parties on behalf of the agents and customers. That this procedure helped the beneficiaries to avoid the laws of their home countries is evident from letters and memorandums in Uniroyal's files, Mr. Peloso said.

The Special Counsel's report further noted that such arrangements contradicted claims on Uniroyal's invoices that "the above invoice is in all respects correct and true."

The Special Counsel also found harmful consequences from Uniroyal's practice of overbilling customers and rebating the overbilled amount to customers' bank accounts in third countries.

AP-DJ

Judgment for United Nuclear

BY OUR OWN CORRESPONDENT NEW YORK, March 3

UNITED NUCLEAR has been awarded a default judgment in a New Mexico court in its $2.3bn. damages suit against General Atomic, a joint venture of Gulf Oil and the Royal Dutch-Shell group. In making his ruling, however, Judge Edwin L. Felter said that the trial should continue in order for the court to determine damages. He emphasised that his ruling does not cover the damages request, and that United Nuclear will have to establish any damages in subsequent legal proceedings.

United Nuclear said to-night that the judge's ruling had come as a result of the failure of General Atomic to produce evidence in its defence. In his ruling, the judge comments on General Atomic's policy of "cynical disregard and disdain of the Rules of Discovery and the court's discovery orders, of concealing rather than in good faith revealing the true facts concerning the international uranium cartel in which Gulf was involved."

General Atomic this evening described the decision as "outrageous and unprecedented," saying that it showed utter disdain for its right to due process and for the facts of the case. General Atomic's attorneys are now planning to take all steps necessary to have the judgment set aside.

United Nuclear had leant heavily on evidence of Gulf's involvement in the international uranium cartel in bringing its case. United Nuclear was seeking to avoid delivery of about 24m. pounds of uranium to General Atomic. It charged that Gulf had executed the purchase contracts at low prices which it knew would soar as a result of the cartel's operations.

Gulf and General Atomic have argued that uranium prices rose after 1973 and 1974 because of factors other than this international cartel.

General Atomic is expected to put out a statement on the judge's finding later, but initial indications are that it could appeal against the ruling. General Atomic has made it clear that it is not happy with the judge in the case, and at one stage asked Judge Felter to disqualify himself on the grounds of bias.

Observers have suggested that one objective of General Atomic has been to avoid the precedent of an anti-trust finding in New Mexico, and also to shelter Gulf

Steel chief optimistic

BY OUR OWN CORRESPONDENT

NEW YORK, March 3.

FURTHER EVDENCE of growing optimism in the U.S. steel industry about the prospects of slowing the growth of foreign steel imports this year emerged to-day with a statement from the chairman of Inland Steel, one of the nation's leading steel makers.

Mr. Frederick Jalcks said that he now estimates that the trigger price mechanism which the government has established for setting off government anti-dumping actions could lead to a reduction to 15m. tons from this year's record 19m. tons in the volume of steel imports.

Mr. Jalcks' remarks follow an announcement yesterday from the industry leader U.S. Steel that it was withdrawing an anti-dumping suit it had filed against Japanese steel makers. The announcement was widely interpreted as at least a tentative vote of confidence in the prospects of effective implementation of the trigger price mechanism.

COMMODITIES/Review of the week

U.S. stockpile sales sought

BY OUR COMMODITIES STAFF

LEGISLATION REQUESTING authorisation to sell 25,000 long tons of tin, and 62.5m. troy ounces of silver from the U.S. strategic stockpile was submitted to the U.S. Congress yesterday.

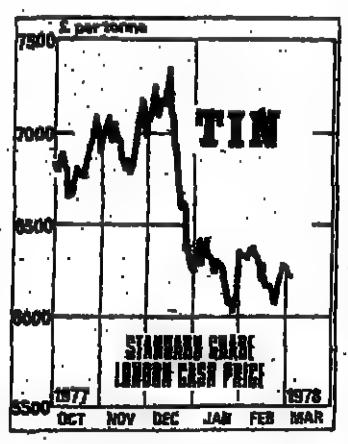
The General Services Administration, responsible for the stockpile, is also seeking approval to release nine other materials in the stockpile deemed to be surplus to requirements.

The Bill was introduced on behalf of the Carter Administration by Senator Hart, whose subcommittee on stockpile policy is due to start hearings next Wednesday. It follows approval by another sub-committee early this week of an Administration proposal to release 5,000 tons of stockpile tin as its contribution to the International Tin Council buffer stock.

However, the approval of Congress is by no means assured, since there are many conflicting views on stockpile releases and it is likely to be some time before they are resolved.

The tin market, which started the week on a buoyant note, became thoroughly confused and nervous. But forecasts of a sharp decline in warehouse stocks and a squeeze on supplies available gave a firm undertone. As a result, cash tin closed £160 up on the week at £6,215 a tonne.

Copper prices were boosted by news that three of the leading exporting countries—Peru, Zaire and Zambia—had agreed to a 15 per cent. cutback in production. This effectively reversed a decline that had been triggered off by the U.S. producer, Asarco, cutting its domestic price by 3 cents to 60 cents a lb.—$1.50 below the price cuts announced by other producers.



There is considerable uncertainty as to how effective the proposed 15 per cent. production cutback will be in reducing actual supplies, although Zaire yesterday said it would have to use copper bought on the world market to fulfil its supply commitments after the cutback was applied.

However, Chile has so far not agreed to reduce production, and there are doubts about Peruvian intentions. Nevertheless, copper prices were also lifted by forecasts of another steep decline—of more than 20,000 tonnes—in warehouse stocks this week, believed to be more shipments to the U.S. to beat any possible import curbs. Cash wirebars closed last night £18 up on the week at £632 a tonne.

Lead and zinc values were also firmer on predicted stock declines, and buying reported to be on behalf of producer interests. Cash zinc even moved to a small premium over the three months quotation.

Cocoa prices fell back sharply on the London futures market yesterday following reports that Russia was seeking delays of up to two months on contracted shipments. The May quotation, which had gained £177 earlier in the week, ended £63 lower on the day at £1,656.5 a tonne.

The earlier rally, which took May cocoa to the year's highest level, was seen by most dealers as "an extended correction to the recent oversold situation." But some market sources thought the week's upsurge had created an equally serious overbought situation before yesterday's decline.

Coffee prices fell steadily all week to end £113.5 lower on balance. The market was dominated by an easier tone in New York where many speculators decided to liquidate their "long" holdings. There was virtually no fundamental news affecting the market.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1977/78 High	1977/78 Low
Wheat No. 1 Red Spring, Am. Hard	£86.5	+0.5	—	£92	£75.5

MARKET REPORTS

BASE METALS

COPPER—Higher on the London Metal Exchange, helped initially by forecasts of a large stocks decline and heavy influential buying. ... Turnover 35,475 tonnes.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	258.05p	+1.2	258.6p	+0.75
3 months	262.45p	+1.2	263.15p	+0.25

COCOA

COFFEE

GRAINS

SILVER

RUBBER

SOYABEAN MEAL

SUGAR

WOOL FUTURES

LONDON—A shade easier in light trading, Bache reported.

(Pence per kilo)

MEAT/VEGETABLES

... Indoor 1.20-1.30. Cabbage—Per ½-bag Primo 0.60. Beetroot—Per 28-lb 0.90. Carrots—Per bag 28-lb 0.40-0.50. Onions—Per 56-lb 0.60-1.30. Swedes—Per bag. Yorkshire 0.50. Devon 0.50. Apples—Per pound. Cox's 0.12-0.22. Bramley's 0.11-0.18. Pears—Per pound. Conference 0.12-0.16. Comice 0.18-0.20. Sprouts—Per pound 0.04-0.06. Parsnips—Per 28-lb 0.90-0.90. Turnips—Per 28 lb 0.70-0.80. Rhubarb—Per pound 0.22-0.23. Cucumbers—Per tray 12/22s 2.50-3.30. Mushrooms—Per pound 0.30-0.35.

SMITHFIELD—No carcase meat prices quoted.

VEGETABLE OILS

LONDON PALM OIL—Close: March 290.00-315.00. April 297.00-312.00. May 290.00-305.00. June 277.00-85.00. July 275.00-80.00. Aug. 263.00-72.00. Sept. 263.00-72.00. Oct. 263.00-72.00. Nov. 263.00-72.00. Business nil. Sales nil.

FINANCIAL TIMES

Mar. 3	Mar. 2	Month ago	Year ago
228.66	227.88	227.36	284.78

(Base: July 1, 1952=100)

REUTER'S

Mar. 3	Mar. 2	Month ago	Year ago
1386.8	1388.5	1398.4	1699.8

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Mar. 3	Mar. 2	Month ago	Year ago
Spot	352.86	355.94	350.72	433.25
Future	331.30	333.35	353.22	421.88

(Average 1924-25-26=100)

MOODY'S

Moody's	Mar. 3	Mar. 2	Month ago	Year ago
Spie Commodity	901.2	896.0	894.1	352.8

(December 31, 1931=100)

U.S. Markets

Rally by copper; sugar weak

NEW YORK, March 3.

PRECIOUS METALS were lower following a smaller than expected balance of trade deficit. Copper rallied following expectations of a 22,000-ton decrease in London stocks. Sugar closed on the weak tone on trade hedge selling outweighing Commission-House buying. Cocoa closed lower on Commission-House profit-taking and trade hedge selling following the recent sharp advance, Bache reported.

Cocoa—March 132.25 (138.30), May 141.25 (144.65), July 136.60, Sept. 132.70, Dec. 129.63, March 136.85, May 133.10, July 133.30. Sales: 1,113.

Coffee—"C" Contract: March 166.73 (172.75), May 151.50 (155.90), July 137.90 asked, Sept. 132.90 asked, Dec. 121.00, March 119.00-119.50, May 113.31, July 114.51-115.00. Sales: 627 lots.

Copper—March 56.50 (56.30), April 56.50 (56.70), May 57.30, July 58.30, Sept. 59.30, Dec. 60.60, Jan. 61.20, March 62.30, May 63.20, July 64.20, Sept. 65.10, Dec. 66.60, Jan. 67.10. Sales: 3,500 (2,634).

Cotton—No. 2: March 55.55 (55.20), May 56.50-56.55 (56.52), July 57.95-58.00, Oct. 59.10, Dec. 59.72, March 60.92, May 61.20, July 61.40. Sales: 220,500 bales.

*Gold—March 183.40 (183.50), April 184.40 (185.00), May 185.80, June 187.30, Aug. 190.60, Oct. 192.80, Dec. 195.30, Feb. 198.10, April 201.10, June 204.10, Aug. 207.10, Oct. 210.10, Dec. 213.10, Feb. nil. Sales: 9,000 lots.

Lard—Chicago loose 23.00 (same). New York prime steam 24.50 (24.37 traded).

Maize—March 229½-229 (227½), May 233-233½ (231½), July 234½-234¾, Sept. 232½, Dec. 232½-232, March 241-241½.

§Platinum—April 225.30-226.00 (220.90), July 229.70-231.30 (233.90), Oct. 234.40-234.60, Jan. 238.40-238.60, April 242.40-242.60, July 246.40-246.60.

*Silver—March 496.60 (498.90), April 501.30 (501.70), May 505.00, July 512.30, Sept. 520.00, Dec. 531.70, Jan. 535.30, March 543.40, May 551.70, July 559.20, Sept. 567.20, Dec. 579.20, Jan. 583.20. Sales: 7,500 lots. Handy and Harman spot bullion 499.00 (500.50).

U.K. shipowners attack aid for competitors

BY OUR SHIPPING CORRESPONDENT

BRITISH SHIPOWNERS will not order vessels in the future if they think they are being undercut by ships given away to foreign owners by British Shipbuilders under Government subsidy schemes, Mr. Peter Walters, president of the General Council of British Shipping, said last night.

Mr. Walters was criticising the proposed use of Government overseas aid for ship sales to India, Vietnam and possibly Pakistan. He said that Asian competitors already had the benefit of lower crew costs, often lower interest rates and lower taxation.

"To give these competitors cheaper ships at the taxpayers' expense is damaging British shipping companies, British seafarers and the British economy. Imagine the outcry if our Government were to subsidise Korean shipbuilders."

Mr. Walters, who was speaking to shipowners in Manchester, said he believed that in spite of political problems and depression in the bulk markets, the outlook for British shipping was good. It had a young, diversified and well-managed fleet, which by European standards was competitive.

Health Service near 'breaking point'

A WARNING that Britain's health services were close to breaking point was issued yesterday by Miss Catherine Hall, Royal College of Nursing general secretary, in a letter to Mr. David Ennals, Secretary for Social Services.

She called for the National Health Service to be given far more money in the April Budget.

Later, the Department of Health and Social Security contested the allegation, maintaining that services were holding up under the strain of the biggest cash squeeze for a decade.

Staff levels of qualified nurses had fallen so drastically in the past two years that looking after patients properly had become impossible, Miss Hall said.

Management had been forced to close wards in hospitals following pressure from overworked nursing staff, and this had inevitably helped to build-up waiting lists of patients.

"The College is appalled at the growth in these lists," she said. Recently Mr. Ennals revealed that 600,000 sick people were awaiting treatment in Britain's hospitals.

Hospital services had deteriorated because of increased demand for every kind of health treatment coupled with a cash squeeze, reflected particularly in a cutback in the numbers of qualified nursing staff recruited.

Miss Hall called for a complete review of Government spending programmes on health, adding that the Royal College of Nursing itself was setting up a survey of the most critically-affected areas, in the Thames region.

The Department of Health and Social Security said that health services were gradually being streamlined, as spending programmes were trimmed.

Sekisui opens plant in South Wales

THE LATEST Japanese factory to be established in South Wales was opened yesterday by Mr. Tadao Kato, the Ambassador, in the presence of Mr. Alec Jones, Parliamentary Secretary at the Welsh Office, and local officials.

The plant is run by Sekisui (U.K.), and is in Merthyr. It will make a form of polyethylene foam developed by the company.

South Wales has gone out of its way to attract Japanese firms, and Sekisui is the fourth to start manufacturing there.

First, and still the biggest, was Sony, with a television plant outside Bridgend.

It was followed by National Panasonic, in Cardiff, and Takiron, another chemical concern, at Caerphilly.

That the Japanese have been welcomed in Wales has been due in no small measure to the work of the Development Corporation for Wales. The Corporation has assiduously wooed Japanese industry, sending missions to Japan and courting Japanese businessmen in the U.K.

The Corporation feels that it has been successful in this campaign, and was greatly upset when Hitachi decided not to open a plant in the North-East of England after strong local opposition.

It believes that before the end of this year at least one, and possibly two, more Japanese concerns will announce plans to manufacture in Wales.

The Merthyr plant of Sekisui is not large by comparison with the others. Put up at a cost of £2m. on the southern edge of the town, it will employ only about 30 people at first, though there are plans to enlarge this to about 80 within three years.

Since the town has more than 7 per cent. of its workers on the dole, the 30-odd jobs created will not do a lot to alleviate present unemployment.

It is the growth potential that interests local officials.

Mr. Michael Phillips, director of Sekisui, said recently that "in Japan Sekisui polyethylene foam is the market leader, a position which the company also enjoys in America.

"Our factory at Merthyr will have an initial start-up capacity of 500 tonnes of foam a year, and this is expected to increase considerably, firmly establishing the company as the biggest producer of this type of product in Europe."

Sekisui is the first occupier of a factory on the new Merthyr Tydfil industrial park. The estate was created by levelling a disused tip from a closed coal mine.

To reclaim the land over 1.5m. tons of refuse had to be carried over the adjacent main road to raise the level of the land in the estate. The cost of this exercise was £1.8m.

Unit trust foreign funds prospering

BY ADRIENNE GLEESON

AFTER TWO YEARS in which the unit trust performance figures have been dominated by funds invested in the U.K., their counterparts invested abroad are again coming into their own.

Latest figures from the magazine *Planned Savings* show that the Far Eastern funds have, generally speaking, been the best performers of the year so far.

Top of the table is Britannia Minerals, with a gain of 15.8 per cent. Britannia Gold and General holds the third place, with a gain of 12.3 per cent. this year.

That apart, all but two of the top ten trusts are invested in the Far East, with fund managers Henderson, M & G, Gartmore, GT, Save and Prosper, and Allied Hambro making a showing.

The two exceptions are invested abroad: Charterhouse European Financial, which holds eighth place with a gain of 7.1 per cent., and Henderson European, only fractionally behind.

The improvement in the overseas funds, largely a function of the rise in the Tokyo Dow Jones, marks a dramatic change from the situation which prevailed last year, when funds invested abroad were relegated to the bottom of every performance table.

It is a measure of the change in conditions that the star performer of 1977, M & G Recovery, should hold only 125th place so far into 1978, with its units slightly lower in value than at the New Year.

Still, the Recovery fund, with 272 other trusts, has outperformed the FT industrial index, while 307 trusts have outperformed the All-Share.

Students help track satellite

SURREY UNIVERSITY'S satellite command station—the only one in the world run by students—is to play an important part in launching a new amateur radio communications satellite, AMSAT OSCAR-8.

A Thor-Delta launch rocket is due to lift off from California at 5.54 p.m. next Sunday to put OSCAR-8 and its main load, a Landsat ground and resources mapping satellite, into orbit.

The satellite will separate from the second stage of the launch vehicle over Greenland and will then come within range of the university command station for about four minutes before disappearing over the Arctic horizon on its first orbit.

During those four minutes, members of the university's electronics and amateur radio society will track the satellite, switch it on and check out its performance.

The university will be linked by telephone to the U.S. Goddard Space Flight Centre.

Preservation 'at any cost' criticised

A LEADING architect warned last night of the danger of wanting to "preserve all old buildings at any price, irrespective of any worthwhile use in modern terms or of their real historical, environmental or architectural merit."

Mr. Owen Luder, honorary treasurer of the Royal Institute of British Architects, told the annual dinner of the Suffolk Association of Architects that there were examples of Victorian houses in parts of London and other cities that were, by any realistic assessment, beyond worthwhile repair.

The fashionable pressure for preservation at any price meant however, that such houses were being virtually reconstructed.

Redevelopment in a sensitive, sensible way would represent a better environmental solution and, in many cases, a far better economic investment in the longer-term for the community.

This week's SE dealings

Friday, March 3	4,374	Wednesday, March 1	4,284	Monday, February 27	5,942
Thursday, March 2	4,592	Tuesday, February 28	4,793	Friday, February 24	5,173

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in pence and fractions of pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

Bargains at Special Prices. ♦ Bargains done with or between non-members. ♦ Bargains done previous day. ‡ Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malaysian; $Mo—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (714)

INTL. BANK (—)

CORPORATIONS (65)

SHORT DATED BONDS FREE OF STAMP DUTY

PUBLIC BOARDS (21)

COMMONWEALTH GOVTS. (31)

COMMONWEALTH CORPS. (—)

FOREIGN STOCKS (18)

STERLING FOREIGN CURRENCY BONDS

U.K. RAILWAYS (3)

Fishguard and Rosslare Rlys. Hbrs. Pf. 29 (28/2). Ontario and Quebec Rly. 5pcDb. 41½ (27/2)

FOREIGN RAILWAYS (—)

Armavir Touapse Rly. 4pcBds. £1½ (2/3)

BANKS (150)

BREWERIES (137)

CANALS AND DOCKS

COMMERCIAL (2,221)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

Mitchell Cotts Transport (25p) 53♦
Mitchell Somers (10p) 51♦
Mixconcrete (Hldgs.) (25p) 54
Mole (M.) (20p) 23¼♦
Mollins (25p) 99♦
Mook (A.) (25p) 80
Monsanto ($US2) £32⁵⁄₁₆
Montfort (Knitting Mills) (25p) 50 1 (2/3)
Monument Secs. (10p) 9♦ (2/3)
Morgan Crucible (25p) 106♦ 7
Morgan Edwards (10p) 24
Morris Blakey Wall Papers (25p) 43 (28/2). A (25p) 42 (2/3)
Morrison (Wm.) Supermarkets (10p) 170♦ 70 68 7½
Moss Bros. (20p) 93♦ 4 (2/3)
Moss Engineering (25p) 65 (28/2)
Moss (R.) (10p) 32 (1/3)
Mothercare (10p) 150♦ 49 6 8
Mount Charlotte Invests. (10p) 15♦ 16 (2/3)
Movitex (10p) 15♦
Mowlem (J.) (25p) 115♦

Southern Constructions (Hldgs.) (2/3)
Sparrow (G.W.) (20p) 105
Spear Jackson Intnl. (25p)
Spear (J.W.) (25p) 230 (27/2)
Spencer Clark Metal Industs. (28/2)
Spencer Gears (Hldgs.) (5p) 31
Spillers (25p) 27 8 7½. 6pcPf. 54. 7¼pcDb. 72½ (1/3)
Spirax-Sarco Engineering (25p)
Spooner Industs. (25p) 47 (27/2)
Staffordshire Potteries (Hldgs.) (1/3)
Staflex Intnl. (25p) 14½
Stag Furniture Hldgs. (25p) 96♦. 10pcPf. 96 (2/3)
Stakis (Reo.) Organisation (10p)
Stanley (A.G.) Hldgs. (5p) 110
Startrite Engineering (20p) 64
Status Discount (10p) 124♦ 7
Staveley Industs. 217. 1986-91 64 (1/3)

FINANCE FOR INDUSTRY TERM DEPOSITS

Deposits of £1,000-£25,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 17.3.78.

Terms (years)	3	4	5	6	7	8	9	10
Interest %	9¾	10	10¼	10¾	11	11¼	11½	[illegible]

Rates for larger amounts on request. Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SE1 8XP (01-928 7822, Ext. 177). Cheques payable to "Bank of England, a/c FFI." FFI is the holding company for ICFC and FCI.

هكذا من الأصل

هكذا من الأصل

Texas Instruments £45¾
Timor Oil 34
Tri Continental £13¼⊕
Unidev 45
Vultan Minerals 10
Woodside Pets. 60⊕

ERRATA
Delhn at 34 should not have been marked under Rule 163 (1) (e) (2.3)

MARCH 2

Ainkander Leases 390⊕ 80 75 8
American Shipbuilding Wrnts. 160⊕
Argo Invs. 115
Australian Cons. Inds. 124
Australian Foundation 84
BP Canada 945
Beach Pets. 11⊕ 12
Beatrice Foods SUS23½⊕
Blue Metal Inds. 76
Boise Cascade £16¼⊕
Bougainville Copper 78⊕
Coles (G. J.) 142
Conzinc Rio Tinto (Australia) 145
Delhn 34
Emalt 70
Gulf Oil £18
Intnl. Paper £25⊕
Johnson Johnson £46¾
Komatsu 92½⊕
McArthy Grp. 35⊕
Marra Inv. 2½
Nicholas Intnl 72
Oil Search 6½⊕
Pioneer Concrete 111⊕
Price 695
Quebec Sturgeon River Trdg. 95⊕
Stewarts Lloyds (S.A.) 103
Target Pets 11 8
Trans Canada Pipe Line 950
Unilever NV (Fl.20) £40⊕
Union Gas A 650
Walker (Hiram) £19⅝

MARCH 1

Alliance Oil Devels 11
American Tel Tel £42⅞
Australian Guarantee 125
Batu Kawan 394⊕
Basic Resources 395⊕
BH South 67⊕ 81⊕
Bridge Oil 64
Castlemaine Perkins 305⊕
Consol. Bathurst A £14½⊕
Ciba Geigy 8½pcConv. £91¼⊕ 20. 7¼pcConv. £90¼ 90
Dorman Long (SA) 315⊕
Exxon Cpn. SUS44½⊕
East African Brews. 40⊕ 40
East African Power and Light 28
Gold Mines of Kalgoorlie 71½⊕ 2⊕
Genoa Oil 20
Imperial Oil Canada $12⅛
Jardine Secs. 87⊕ 6
Kulim Malaysia 34½
Medlovd Gp. £33⊕
Pancontinental £50⊕ 92½⊕
Pan American Cap Stk. 335⊕
Smith Klein £49⅝
Selcast 26
Swire Pacific A 83
Tasminex 20
Thomas Nationwide Transport 81⊕

FEBRUARY 28

Amsterdam Rotterdam Bk. £23¾
American Can £26⅛
Assco Manganese £16¼ 16½
Brit. Contd Oilfields 10½
Florida Steel SUS21½⊕

Kerr Addison A 590
Repco 84⊕
Union Pacific SUS43¾
Wheelock Marden A 33½

FEBRUARY 27

Alliance Oil Dev. 13
Cockburn Cement 89
Colonial Sugar Refineries 207 8
Consumers Gas SUS14¼
EZ Inds. 140⊕
El Paso £10⅛
Hooker Cpn 53½
Lend Lease Cpn. 196⊕
Little Long Lac Mines 137⊕
Mays Dept. Stores SUS21¼⊕
Onshore Oil 3½
Peko Wallsend 439
Pinevale Minerals 10
Rand Leases 18½
Thiess Hldgs. 128 8
Thomas Nationwide Transport 76
Yukon Cons. 115

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

MARCH 3

Balmoral (Ceylon) Ests. 4.2pcCum.Pf. 10
Cambridge Instrument ⅛
Ceylon and Indian Planters Hldgs. 4.2pcCum.Pf. 25
Clyde Petroleum 120
Dimbula Valley (Ceylon) Tea 6pcCum.Pf. 135
Doloi Tea Hldgs. 82 80
Doloswella Hldgs. 30 29½
Exrhem Hldgs. 27
Delhn Australian Fund (10c) 36 34
GRA Prop. Tst. 12½ 12¼ 12 11 11¾ 11½ 11 11½
Gadek (Indonesia) 44
Kotmale Valley Estate of Ceylon 5pcCum.Pf. 20
Lifeguard Assurance 21
Oldham Estates 124
Ouvah Highfields 50
Queen Street Warehouse (Hldgs.) 2½
Portsmouth Water 4½pcDb. £37
Sutton Harbour Improvement 97
Tricentrol Wrnts. 65
Viking Oil 150

MARCH 2

Cedar Hldgs. 5 5
Cedar Hldgs 5pcRd.Cnv.Pf. 21
Eldridge Pope A 173
Ferranti 267 260
Grand Hotel (Bristol) 4pcPerm.1stMt.Db £26
Grendon Tst. 11pcSub.Uns.Ln. £48 £48½
Liverpool FC £100
NMW Computers 99
Oldham Brewery 57
Provincial Insurance A 232½ 231½
Queen Street Warehouse (Hldgs.) 3½ 2½
Southern Newspapers 220 219½
Wolverhampton Wanderers FC (1923) £35 £34

MARCH 1

Adnams B 390
Arms Park (Cardiff) Greyhound Racing 40

Aston Villa £15
Darling Fund 135 153
General Ceylon 5
Jersey New Waterworks 3½pcCum.Pf. 123. 7½pcMt.Db £87. 5pc3rdCum.Pf. 93. 5pcCum.Pf. 180
Manos Tramways and Light 1
Morton (George) 100
North Sea Assets 858 854
Telbedde Ragalla Inv. 6
Twinlock 12pcLns.Ln. £80 £74¾

FEBRUARY 28

Channel Hotels and Props. 15
Crystal Palace F and AC 140
Ferranti 260
Flight Spares 25
Irish Marine Oil 30
Jennings Bros. 57 56½
Jersey Gas 5pcACum.Pf. 36
Kenmare Oil Exploration 27
Le Riches Stores 500
Queens Park Rangers FC 110

FEBRUARY 27

All England Lawn Tennis £50Dbs. £4100
Brit. Photographic Inds. 6 49-64ths 6¾ 5
Harvey and Thompson 6½pcUns.Ln. £34
Home Brewery 230
Jenkins (Robert) (Hldgs.) 317
Kathleen Invs. (Australia) 90 80
T-oxide Grp. 8pcUns.Ln. £93
Truscon 4.2pcCum.Pf. 11½ 11

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

MARCH 2

CCP North Sea Associates 887½
Cluff Oil 400
Gas and Oil Acreage 99
Siebens Oil and Gas (U.K.) 225 228 230 231 232 232 234 234

MARCH 1

Cluff Oil 387½
Gas and Oil Acreage 98
Siebens Oil and Gas (U.K.) 239 242 236

FEBRUARY 28

CCP North Sea Associates 890 982
Cluff Oil 400
Siebens Oil and Gas (U.K.) 243 238 248 240 242

FEBRUARY 27

CCP North Sea Associates 69½ 68½ 69½
Gas and Oil Acreage 99½ 100 102
Siebens Oil and Gas (U.K.) 256 254 244 244 244

FEBRUARY 24

Cluff Oil 400
Siebens Oil and Gas (U.K.) 248 249 250 252 258 259 260 262½p

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley Metro. (0226 203232)	9½	½-year	250	4-7
Poole (02013 5151)	9½	½-year	500	4
Poole (02013 5151)	9¾	½-year	300	5-7
Reading (0734 592237)	10	½-year	1,000	5-7
Redbridge (01-478 3020)	10	½-year	200	3-7
Southend (0702 49451)	9	½-year	250	3
Thurrock (0375 5122)	9¾	½-year	300	4
Thurrock (0375 5122)	10	½-year	300	5-7
Wrekin (0952 505051)	8	½-year	500	2
Wrekin (0952 505051)	10	yearly	1,000	4

BUILDING SOCIETY RATES

	Deposit Rates	Share Accnts.	Sub'pn Shares	*Term Shares	
Abbey National	5.25%	5.50%	6.75%	6.50%	3 yrs., 6.00% 2 yrs.
Alliance	5.25%	5.50%	6.75%	6.50%	3 yrs., 6.00% 2 yrs., 5.75% 1 yr.
Anglia	5.25%	5.50%	6.75%	6.50%	3 yrs., 6.00% 2 yrs., 5.75% 1 yr.
Birmingham	5.25%	5.50%	6.75%	6.50%	3 yrs., 6.40% 2 yrs., 5.75% 1 yr.
Bradford and Bingley	5.25%	5.50%	6.75%	6.50%	3 yrs., 6.00% 2 yrs., min. £500
Bristol and West	5.25%	5.50%	6.75%	—	
Bristol Economic	5.75%	6.00%	7.25%	6.25%	2 months' notice
Britannia	5.25%	5.50%	6.75%	6.50%	3 yrs., 6.00% 2 yrs.
Burnley	5.25%	5.50%	6.75%	6.50%	3 yrs., 6.00% 2 yrs.
Cardiff	5.75%	6.30%	7.30%	—	
Catholic	5.50%	•6.20%	7.25%	—	• 6.45% over £5,000
Chelsea	5.25%	5.50%	6.75%	6.25%	6 months' notice, minimum £500
Cheltenham and Gloucester	5.25%	5.50%	6.75%	6.50%	3 yrs., 6.00% 2 yrs. (£500-£15,000)
Citizens Regency	5.25%	5.80%	7.30%	7.05%	3 yrs. over £5,000
City of London	5.50%	5.80%	6.75%	6.75%	3 yrs., min. £500
Coventry Economic	5.25%	5.50%	7.50%	6.75%	3 yrs.
Coventry Provident	5.25%	5.50%	7.50%	6.75%	3 yrs.
Derbyshire	5.25%	5.50%	6.75%	—	Up to 6% 3 months' notice
Gateway	5.25%	5.50%	6.75%	6.50%	3yrs., 6.00% 2yrs., min.£500-£15,000
Greenwich	5.75%	6.10%	7.50%	7.10%	2 yrs., fixed 1% over Share Accts.
Guardian	5.75%	6.25%	6.50%	6.95%	3 mths.' notice, minimum £1,000
Halifax	5.25%	5.50%	6.75%	6.50%	3 yrs., 6.00% 2 yrs.
Hastings and Thanet	5.25%	5.50%	6.75%	6.50%	3 yrs., 6.00% 1½ yrs., £250-£15,000
Heart of England	5.25%	5.50%	6.75%	6.50%	3 yrs., 6% 3 months' notice
Hearts of Oak & Enfield	5.25%	5.75%	7.25%	6.75%	3 yrs., 6.50% 2 yrs., 6.25% 1 yr.
Hendon	6.00%	6.50%	—	7.00%	6 months' notice, minimum £2,000
Huddersfield & Bradford	5.25%	5.50%	6.75%	6.50%	3 yrs., 6.00% 2 yrs., £100-£15,000
Leamington Spa	5.35%	5.60%	7.36%	6.35%	2 yrs.
Leeds Permanent	5.25%	5.50%	6.75%	—	
Leicester	5.25%	5.50%	6.75%	6.50%	3yrs., 6.00% 2yrs., min.£100-£15,000
Liverpool	5.75%	6.00%	7.43%	7.10%	3 yrs., 6.60% 2 yrs., min. £1,000
London Goldhawk	5.75%	6.25%	7.50%	7.25%	3 yrs., 6.75% 1 yr.
Melton Mowbray	5.35%	5.60%	6.75%	6.35%	2 yrs., min. £2,000
Midshires	5.25%	5.50%	6.75%	6.50%	3 yrs., 6.00% 2 yrs. min. £250
Mornington	5.70%	6.70%	—	—	
National Counties	5.50%	5.80%	6.80%	6.25%	6 months
Nationwide	5.25%	5.50%	6.75%	6.50%	3-4 yrs., min. £500, 6.00% 2 yrs.
Newcastle Permanent	5.00%	5.50%	6.50%	6.80%	3 yrs., 6.50% 2 yrs.
New Cross	6.50%	6.75%	—	—	
Northern Rock	5.25%	5.50%	6.75%	6.50%	3 yrs., 6.00% 2 yrs., min. £100
Norwich	5.25%	5.50%	7.00%	6.25%	2 yrs., minimum £500
Paisley	5.25%	5.50%	6.75%	6.50%	3 yrs., 6.00% 2 yrs. min. £500
Peckham Mutual	5.50%	6.00%	—	—	
Portman	5.25%	5.50%	6.75%	6.50%	3 yrs., 6.00% 2 yrs., 5.75% 3 mths.
Progressive	5.40%	5.65%	6.75%	6.65%	3yrs., 6.40% 2yrs., 6.15% 3mths.not.
Property Owners	5.75%	6.50%	7.75%	6.90%	3 mths. not. 5.00% to limitd. cos.
Provincial	5.25%	5.50%	6.75%	6.50%	3-4 yrs., 6.00% 2 yrs.
Skipton	5.25%	5.50%	6.75%	6.50%	3 yrs., 6.00% 2 yrs.
Sussex Mutual	5.55%	5.80%	7.05%	6.10%	3 months' notice, minimum £500
Town and Country	5.25%	5.50%	♣10.00%	6.50%	3 yrs., 6.00% 2 yrs. ♣ Max. £250
Woolwich	5.25%	5.50%	6.75%	6.00%	3 yrs., 6.50% 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.

MONEY + EXCHANGES

Bill rate steady

Bank of England Minimum Lending Rate 6½ per cent. (since January 6, 1978)

The Treasury bill rate rose by 0.0085 per cent. to 5.9840 per cent. at yesterday's tender, and Bank of England Minimum Lending Rate was unchanged at 6½ per cent. The minimum accepted bid was £98.50½, and bids at that level were met as to about 58 per cent. The £400m. bills offered and allotted attracted bids of £581.05m., compared with £398.88m. for £300m. bills last week. All bills offered were allotted. Next week £300m. will be on offer replacing the same number of maturities.

Day-to-day credit was in slightly short supply in the London money market, and the authorities gave assistance by buying a small amount of Treasury bills and local authority bills from the discount houses.

Banks brought forward surplus balances, and Government disbursements exceeded revenue payments to the Exchequer. These were outweighed by a very slight net take-up of Treasury bills, and a fairly large rise in the note circulation.

Discount houses paid up to 6 per cent. for secured call loans, but closing balances were taken at 3½-5 per cent.

In the interbank market overnight loans opened at 6½-6¾ per cent., and eased to 4-5 per cent. before closing at 3-3½ per cent.

Mar. 3 1978	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ф	Eligible Bank Bills ф	Fine Trade Bills ф
Overnight	—	4-6¼	—	—	—	6¾	5½-6	—	—	—
2 days notice	—	—	6⅛-6⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	6¼-6⅜	6⅛-6⅜	—	6¾-7	6¾	6-6⅛	—	—	—
One month	6⅝-6⅝	6⅛-6⅜	6⅜-6½	6⅞-6⅜	6¾-6⅞	6⅞	6	5⅞	6⅞-6¼	7⅛
Two months	6¾-6⅝	6⅝-6⅞	—	6⅞-6½	6⅞-7⅛	—	6-6⅛	5¾	6⅜-6½	7⅛
Three months	7⅛-6⅞	7⅛-7⅛	6⅞-7	7-6⅞	7⅛-7⅜	7⅛	6¼	5⅞-6	6⅝	7⅛-7¼
Six months	7⅜-7⅝	7⅝-7⅝	7½-7¾	7¼-6⅞	7⅞-8⅛	—	—	—	7⅜-7⅝	7¾
Nine months	8⅛-8	8⅛-8¼	—	8⅛-7¾	8⅜	—	—	—	—	—
One year	8⅜-8	8¼-8½	8¼-8⅜	8⅜-8	8½	—	—	—	—	—
Two years	—	—	8⅞-9⅛	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rate nominally three years 10-10¼ per cent.; four years 10¼-10½ per cent.; five years 10½-11 per cent. ф Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 6 15/16-7 per cent. Four-month trade bills 7¼-7½ per cent.

Approximate selling rates for one-month Treasury bills 5¾-5 27/32 per cent.; two-month 5 13/16 per cent.; and three-month 5 29/32-5 31/32 per cent. Approximate selling rate for one-month bank bills 6 1/16 per cent.; two-month 6 1/32 per cent.; and three-month 6½ per cent. One-month trade bills 7 per cent.; two-month 7 per cent.; and also three-month 7-7¼ per cent.

Finance House Base Rates (published by the Finance Houses Association) 7 per cent. from March 1, 1978. Clearing Bank Deposit Rates (for small sums at seven days' notice) 3 per cent. Clearing Bank Rates for lending 6½ per cent. Treasury Bills: Average tender rates of discount 5.9840 per cent.

EXCHANGES AND BULLION

Trading was generally dull and quiet in the foreign exchange market yesterday, with the U.S. dollar gaining ground in the afternoon, but finishing below its best level of the day.

Publication of a large U.S. trade deficit for January was no surprise, but the figures may have prompted intervention by the U.S. authorities, who probably took advantage of the quiet conditions to push up the dollar against major European currencies. The dollar finished at Sw.Frs.1.8630 against the Swiss franc, compared with Sw.Frs.1.8330 on Thursday, while the U.S. unit also improved against the D-mark, to DM2.0220, from DM2.0090.

The dollar's trade-weighted index, as calculated by the Bank of England, rose to 90.3 from 90.0, and its trade-weighted depreciation, on Morgan Guaranty figures, narrowed to 3.41 per cent. from 5.38 per cent.

The pound opened at $1.9415-1.9425, and fell to a low point of $1.9373-1.9385, before closing at $1.9390-1.9400, a fall of 20 points on the day.

Sterling's trade-weighted index, on Bank of England figures, rose to 63.3 from 63.1, after standing at 63.1 at noon and 63.0 in early trading.

Gold fell $¼ to $183¾-184¼. The krugerrand's premium over its gold content fell to 3.60 per cent. from 4.81 per cent. for domestic delivery, but rose to 3.33 per cent. from 3.05 per cent. in the international market.

GOLD MARKET

	Mar. 3	Mar. 2
Gold Bullion (a fine ounce)		
Close	$183¾-184¼	$184-184½
Opening	$183¾-184½	$184⅛-184¾
Morning fixing	$183.80 (£94.695)	$183.50 (£94.617)
Afternoon fixing	$183.40 (£94.586)	$184.25 (£94.925)
Gold Coins domestically		
Krugerrand	$189½-191½ (£97¾-98¾)	$192¼-194¼ (£99-100)
New Sov'gns	$57¼-59¼ (£29½-30½)	$58-60 (£29¾-30¾)
Old Sov'gns	$57¼-59½ (£29¾-30¾)	$58-60 (£29¾-30¾)
Gold Coins internationally		
Krugerrand	$189-191 (£97½-98½)	$188½-190½ (£97¼-98¼)
New Sov'gns	$57-59 (£29½-30½)	$57¼-59¼ (£29½-30½)
Old Sov'gns	$57¼-59¾ (£29¾-30¾)	$58¼-60½ (£30-31)
$20 Eagles	$295-299	$297-301

CURRENCY RATES

	Special Drawing Rights March 3	European Unit of Account March 3
Sterling	0.635500	0.650415
U.S. dollar	1.23798	1.26113
Canadian dollar	1.58068	1.40991
Austria schilling	17.8520	1.2657
Belgian franc	38.7027	9.6184
Danish kroner	6.85289	7.02178
Deutschemark	2.47776	2.53686
Dutch guilder	2.65060	2.71355
French franc	5.85314	5.99104
Italian lira	1048.29	1075.06
Japanese yen	292.965	299.120
Norway kroner	6.51438	6.67932
Spain peseta	98.6114	100.874
Swedish kroner	5.64740	5.77825
Swiss franc	2.27782	2.33248

FOREIGN EXCHANGES

Mar. 3	Bank Rate %	Day's Spread	Close
New York	6½	1.9375-1.9425	1.9390-1.9400
Montreal	7½	2.1670-2.1755	2.1735-2.1745
Amsterdam	4½	4.16¼-4.22¼	4.20¾-4.21¾
Brussels	6½	60.80-61.25	61.05-61.15
Copenhagen	9	10.77-10.88	10.86½-10.87½
Frankfurt	3	3.90¼-3.94	3.92¾-3.93
Lisbon	15	78.00-78.90	78.60-78.90
Madrid	8	155.10-155.55	155.35-155.45
Milan	11½	1,648¼-1,661¼	1,649½-1,650½
Oslo	6	10.15-10.34	10.33-10.34
Paris	9½	9.18-9.24	9.22-9.24
Stockholm	8	8.91¼-8.95	8.93½-8.94½
Tokyo	4¼	457-467	455½-461½
Vienna	5½	27.65-28.30	28.25-28.30
Zurich	1	3.57½-3.62	3.60½-3.61½

† Rates given are for convertible francs. Financial franc 61.00-61.20.

OTHER MARKETS

			Notes Rates
Argentina	1627-1651	Argentina	1255-1555
Australia	1.6355-1.7155	Austria	27¾-28¾
Brazil	31.86-32.66	Belgium	60-61½
Finland	7.884½-8.011½	Brazil	35-40
Greece	69.165-70.870	Canada	2.16-2.18½
Hong Kong	9.01½-9.04½	Denmark	10.6-10.8
Iran	132-138	France	9.10-9.25
Kuwait	0.530-0.540	Germany	3.80-3.95
Luxembourg	61.05-61.15	Greece	67-78
Malaysia	4.49½-4.52½	Italy	1600-1700
N. Zealand	1.875-1.88	Japan	415-425
Saudi Arabia	6.64-6.74	Netherlands	4.20-4.30
Singapore	4.4640-4.4775	Norway	10.10-10.30
S. Africa	1.6710-1.6875	Portugal	74-86
U.S.		Spain	154-160
Canada		Switzerland	3.50-3.60
		U.S.	1.95-1.96
Canada cents	88.19-88.22	Yugoslavia	56-58

Rate given for Argentina is a free rate.

FORWARD RATES

	One month	Three months
New York	0.52-0.08 c. dis	0.25-0.15 c. pm
Montreal	0.15 c. pm-0.07 c. dis	0.20-0.10 c. pm
Amsterdam	⅞ c. pm-⅛ c. dis	2⅝-1⅝ c. pm
Brussels	5 c. pm-5 c. dis	15-5 c. pm
Copenhagen	6-8 ore dis	17½-19½ ore dis
Frankfurt	1⅞-⅞ pf. pm	5⅛-4⅛ pf. pm
Lisbon	50-150 c. dis	350-570 c. dis
Madrid	50-120 c. dis	160-260 c. dis
Milan	5-11 lire dis	21-29 lire dis
Oslo	4½-6½ ore dis	14½-16½ ore dis
Paris	5½-6½ c. dis	15½-14½ c. dis
Stockholm	2-4 ore dis	5-7 ore dis
Vienna	par-10 gro dis	10-20 gro dis
Zurich	2⅝-1⅝ c. pm	7-6 c. pm

Six-month forward dollar 0.60-0.30c pm. 12-month 1.05-0.95c pm.

EXCHANGE CROSS-RATES

EURO-CURRENCY INTEREST RATES*

* Rates are nominal calling rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

U.K. CONVERTIBLE STOCKS 3/3/78

Statistics provided by data STREAM International

Name and description	Size (£m.)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.§	Income Diff.▽	Cheap(+) Dear(−)◇ Current
Alcan Aluminium 9pc Cv. 89-94	9.05	143.00	100.0	76-80	6.4	4.3						
Associated Paper 9½pc Cv. 85-90	1.40	95.00	200.0	76-79	10.1	10.4	1.1	−10 to 1	8.8	8.9	0.0	−1.0
Bank of Ireland 10pc Cv. 91-96	8.22	137.00	47.6	77-79	7.3	5.8	−9.5	−12 to −3	13.0	9.1	−3.9	+5.7
British Land 12pc Cv. 2002	7.71	128.00	333.3	80-97	9.9	9.7	21.9	10 to 36	0.0	95.2	92.2	+70.2
Change Wares 12pc Nl.Cv.Pf.	0.55	0.18	1.0	79-83	9.8	6.2	−7.5	−14 to 27	29.3	66.9	18.8	+26.3
English Property 6½pc Cv. 98-03	8.84	84.00	234.0	76-79	7.9	8.3	2.6	−8 to 3	11.7	6.2	−6.7	−9.2
English Property 12pc Cv. 00-05	15.31	93.00	150.0	76-84	13.5	13.5	77.1	40 to 77	31.8	52.8	39.9	−37.3
Grand Metropolitan 10pc Cv. 91-96	122.30	104.00	120.2	73-78	10.0	10.0	−0.5	−13 to 0	0.0	0.0	0.0	+0.5
Hanson Trust 6½pc Cv. 88-93	4.51	78.00	37.1	76-80	8.8	9.6	10.1	−1 to 10	11.0	11.9	1.3	−8.8
Hewden-Stuart 7pc Cv. 1995	0.07	220.00	470.4	75-79	3.2	0.1	−10.9	−17 to −5	14.7	6.5	−3.3	+7.6
Pentos 15pc Cv. 1985	1.06	124.00	166.7	76-82	12.4	10.9	6.3	3 to 9	48.0	47.8	−0.2	−6.4
Slough Estates 10pc Cv. 87-90	3.50	150.00	125.0	78-87	6.7	3.8	9.6	5 to 15	37.9	35.9	13.2	+3.6
Tozer, Kemsley 8pc Cv. 1981	7.33	87.00	153.9	74-79	9.5	13.6	28.5	27 to 41	12.1	11.1	−1.4	−30.0
Wilkinson Match 10pc Cv. 83-98	11.10	89.00	40.0	78-83	11.3	11.6	34.8	22 to 38	26.6	40.6	21.2	−13.7

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent. of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent. per annum and is present valued at 12 per cent. per annum. ∥ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent. per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent. of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

STOCK EXCHANGE REPORT

Equities steadier in thin trade after Thursday's falls

Index up 2.8 for week's loss of 8 points—Gilts harder

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Feb. 13	Feb. 23	Feb. 24	Mar. 7
Feb. 27	Mar. 9	Mar. 10	Mar. 21
Mar. 13	Mar. 30	Mar. 31	Apr. 11

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equities traded narrowly in subdued conditions after the previous day's sharp setback in the leaders following EMI's disappointing interim statement. The tone was helped at the start by a little "cheap" buying which took the FT 30-share index to a gain of 2.8 at 10 a.m., and the rise was held to the close of 436.2 despite some hesitancy in the intervening business.

The majority of the index constituents ended the day with minor gains, but Beecham, on a broker's sell advice, stood out with a fall of 12 for a week's drop of 30, at 383p. Yesterday's index rise reduced the week's loss in the index to 8 points to make a three-week fall of 34.8. Second-line equities performed fairly well in staying close to overnight levels despite Thursday's sharp setback in the major issues, while occasional firm spots emerged following favourable comment and on small speculative demand.

British Funds again moved within narrow limits, but with a tendency to firmer values and gains to ½ in long-dated issues were doubled in the late business. Shorts were also a shade better, in places, but were generally restrained by the debut of the tap stock which barely traded.

The overall tone in equities was mixed, but the FT-Actuaries three main indices all closed slightly better and the All-share index closed the week with a loss of about 1½ per cent. In marked contrast, the oil content of the Newspaper sub-section left that index with a week's drop of 11 per cent, following a lowering of expectations about North Sea benefits.

Trade on the whole was generally featureless and official markings of 4,374 brought the week's daily average to 4,797, its lowest since the start of the year.

Long Gilts higher

The latest Public Sector Borrowing Requirement gave a small boost to longer-dated British Funds but the shorter maturities were held in check by the presence of the new tap. Dealings in the tap began yesterday but the stock Exchequer 8¾ per cent, 1983, was only tokenly traded and closed slightly above the issue price at 96 17/32. Business in all sectors of the market could only be described as light but the tone at the longer end was basically firm throughout and small gains, which appeared tentative on one or two occasions, were finally improved upon after the official close. High-coupon issues late in the evening were ½ higher on the day, but the shorts made no improvement on their 3.30 p.m. levels, which were a maximum of ¼ harder. Corporations failed to follow the main funds and were sometimes ¼ easier, but the nearer-dated Southern Rhodesian bonds responded to the signing of the majority rule pact with gains to 4 points: the 2½ per cent. 1965/70 gained that much to £65 but most other issues were only one or two points higher in sympathy.

Offerings of investment currency released by arbitrage business in Far Eastern, particularly Hong Kong securities, were again evident in yesterday's early trading and rates slipped lower. As a result, the premium *closed another 1½ points down* at 84½ per cent., after 84 per cent. Yesterday's SE conversion factor was 0.7285 (0.7186).

Hambros edge forward

A dull market of late reflecting concern over its substantial Shipping interests, Hambros rallied 2 to 180p on investment comment. Fresh buying interest in a thin market helped George Sturla edge forward a fraction more to 19½p, for an advance on the week of 3½, while Sterling Credit hardened 1½ to 30½p. Provident Financial remained unaltered at 35p; the preliminary results are due next Tuesday. Further consideration of the annual profits upsurge helped Allen Harvey and Ross gain 10 to 465p among Discounts, where Seccombe Marshall and Campion put on 20 to 210p in a restricted market. The major clearers closed quietly firm apart from Lloyds which eased the turn to 242p. NatWest gained 3 to 265p and Midland hardened 3 to 333p; the latter's results are due next Friday.

Comment on the good preliminary figures helped Royals rise 7 to 362p among firm Composite Insurances. General Accident, 208p, and Phoenix, 240p, added 5 and 4 respectively.

Although Breweries were generally quiet and little changed, A. Guinness, at 157p, regained the previous day's fall of 3, while Allied, 81p, and Bass Charrington, 141p, improved the turn apiece. Distilleries had a firmer inclination, Distillers hardening a penny to 164p and A. Bell 2 to 200p.

In a lethargic Building sector F. J. C. Lilley gave further ground to 61p, down 3 more, while Milbury receded 5 to 80p and the new nil-paid were a like amount lower at 30p. Richard Costain cheapened 4 to 236p as did Marchwiel to 224p, and Tunnel B lost 6 to 228p. Still reflecting adverse comment, London Brick eased a shade more to 62p. By way of contrast, Countryside Properties edged forward a penny to 36p.

ICI, at 331p, retrieved 3 of the previous day's fall of 5. Among other Chemicals, Fisons held steady at 360p ahead of Monday's preliminary results.

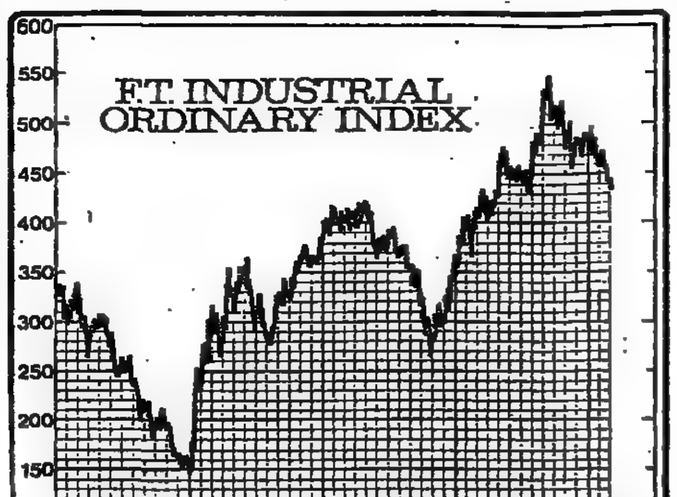
Dealings in Irish cinema concern Green Group were suspended at 65p pending publication of a circular.

Pye down late

Pye Holdings featured Electricals with a late reaction of 9 to 90p on the board's announcement that certain irregularities have come to light in one of its subsidiaries which appear to indicate deficiencies of the order of £1.5m. owing to the overstatement of assets an dother factors. Elsewhere, EMI became a much steadier market and rallied 3 to 144p after the previous day's setback of 23 on the *gloomy* interim statement. GEC also took a turn for the better and picked up 4 to 241p, but Thorn ended that amount lower at 336p after having improved to 342p. Scattered losses in secondary issues included Decca, down 5 more at 390p, and Electrocomponents, 4 cheaper at 318p. Ever Ready eased 3 to 147p and Rotaflex were similarly cheaper at 44p, while Muirhead gave up 2 further to 156p.

Store leaders brought a colourless week to an irregular close. Debenhams, 91p, Gussies "A," 238p and Mothercare, 148p, all hardened 2, while Marks and Spencer, 138p, and UDS, 93p, edged forward a penny. Burton "A," on the other hand, receded 2 to 101p as did W. H. Smith "A" to 133p. Elsewhere, Dixons Photographic at 133p, picked up 4 of the previous day's fall of 6 which had stemmed from vague talk that a Japanese supplier had run into financial problems. Vernon Fashion revived with an improvement of 4 to 69p and Executex and Fairdale Textiles both improved a penny to the common level of 18p. Vantona softened 2 more to 109p on further consideration of the disappointing results.

The Engineering majors failed to show a decided trend. Hawker Siddeley took a turn for the better and edged up 4 to 170p, while GKN managed a final gain of a penny to 266p, after being higher at 268p initially. John Brown, however, encountered fresh scattered selling and gave up 4 further to 272p. Elsewhere, Blakey's Malleable Castings closed a penny firmer at 47p, which is in line with the increased cash offer from Centreway Securities. Other modest improvements included Jones and Shipman, 2 up at 108p, and Warne Wright, a penny dearer at 40p, the last-named following favourable Press mention. In contrast Wolseley-Hughes met with occasional selling and lost 6 to 176p. Small falls of around 3 were sustained by Birmingham Pallet, 82p, and Burgess Products, 30p.



News that the company's share of the highly competitive market for basic grocery products has risen by over a fifth in the weeks immediately following the launch of its discount programme in January failed to sustain J. Sainsbury which closed 3 cheaper at 161p. Brooke Bond finished slightly easier at 43½p following the announcement that it intends to cut its tea prices by 2p a quarter from next Monday, while Cadbury Schweppes, 48p, and Fitch Lovell, 63p, shed a penny apiece. In Supermarkets, William Morrison fell 3 to 170p following news of the proposed purchase of Whelans Discount Stores, a private company based in Wigan.

Hotels and Caterers had Grand Metropolitan 2 up at 89p and Ladbroke 3 better at 165p, both following Press comment. Myddleton, however, fell 5 to 195p on further consideration of the interim figures.

Beecham down

Publicity given to a broker's "sell" circular upset Beecham again which fell to 380p before closing a further 12 down on the day at 383p and 30 lower on the week. Other miscellaneous Industrial leaders plotted an irregular course in thin trading with Metal Box notable for a reaction of 6 to 288p and Rank Organisation down 5 at 226p. Turner and Newall, at 181p, steadied after recent disappointment with the annual profits, while Reed International moved up 2 to 110p, after 112p. Elsewhere, Coral Leisure gained 4 to 110p in response to an investment recommendation and Caravans International were a shade harder at 76½p for a similar reason. Wedgwood put on 3 to 183p and Abel Merrall found support at 40p, up 3. ICL, however, came on offer at 208p, down 10. Durapipe lost 8 to 94p and Bath and Portland 4 to 67p.

Motors and Distributors were idle again and closed little-changed. Lucas Industries, at 242p, regained 2 of the previous day's fall of 7; the interim results were announced on March 31 last year. W. J. Reynolds continued to meet with speculative demand and hardened 1½ to 30½p for a rise on the week of 3½, while marginal improvements were seen in Heron, 94½p, and Hartwells, 73p.

Light profit-taking after Thursday's jump of 13 which greeted the excellent interim profits performance, left Mills and Allen a few pence cheaper at 155p. Elsewhere, Inveresk hardened 2 to 67p on small buying ahead of Tuesday's preliminary results.

Trading volume in the Property sector again left much to be desired. Among the few bright spots, Brixton Estate hardened a penny to 93p following news of the arrangement with Royal Insurance for a further £5m. loan facility to enable the company to take advantage of opportunities for property development and investment. Further speculative demand left Bellway 2 to the good at 57p and the Capital shares a similar amount dearer at 36p, while dealings were resumed in Anston Holdings at 74p, compared with the suspension price of 70p, following the agreed bid of 76p cash per share from Clerks Acre (Hossacks). Inclined harder at the start, leading issues eased back to close without much alteration on balance.

Oils quiet

Oils passed a rather uninteresting session. British Petroleum edged higher to close 4 dearer at 724p, but still down 30 on the week following a U.S. broker's bearish circular re-rating BP's associate company Sohio. Shell firmed 5 to 490p ahead of next Thursday's results, but dollar premium influences left Royal Dutch ¼ lower at £40¼. Among North Sea issues, Lasmo "OPS" encountered further selling and gave up 10 to 284p, while Oil Exploration were also sold and closing a similar amount cheaper at 194p. Siebens (U.K.), however, steadied 2 to 228p after the recent setback.

International Pacific Securities, at 136p, gave up 9 of Thursday's late jump of 15 which followed the announcement that the directors are recommending unitisation. Argo Investment reacted 5 to 111p, while Bishopsgate Trust, 142p, and Estate Duties, 258p, lost 4 apiece. Following the increased offer from Colphonium, London Australia Investment closed a penny off at 115p. Jersey External Preferred, however, improved 8 to 112p on asset considerations. n the repayment plans, English and Caledonian Investment 4½ per cent. and 3½ per cent. Redeemable debentures were both raised 29 points to £96. In Financials, Yule Catto rose 4 to a 1977-78 peak of 83p in anticipation of next Thursday's results. Nippon Fund Sterling were 40 better at 260p, mirroring verseas advices.

Hunting Gibson continued firmly, rising 5 to 205p for a two-day gain of 25 on small buying in a restricted market. Other Shippings were also a trifle harder, P. and O. Deferred closing a penny better at 96p and Ocean Transport 2 up at 124p.

Textiles kept close to the overnight levels. Courtaulds, at 110p, regained half of the previous day's loss of 4 and Lister hardened a penny to 40p. Tootal were a shade higher at 45p following news of the £9m. deal whereby the company is purchasing 40 per cent. of the Australian-based Bradmill Industries.

O.K. Bazaars, 10 cheaper at 315p, provided an isolated dull spot in South African Industrials.

McLeod Russel stood out in Plantations with a rise of 6 to 203p on revived demand. London Sumatra reached 122p on renewed speculative buying before closing without alteration at 117p, still at a premium of 7 over the McLeod Russel/Sipef SA offer terms.

Golds edge up

South African Golds ended a week of marginal movements on a slightly firmer note despite the modest decline in the bullion price, which was finally 50 cents easier at $183.875 per ounce, although still $3.50 better over the week following the satisfactory outcome to Wednesday's International Monetary Fund gold auction.

Initially share prices moved ahead as overnight U.S. buying spilled over into the morning trading. However, the lower morning bullion fixing and the reaction in the investment currency premium reversed this trend and as profit-taking became evident prices gave ground to close barely changed on balance.

Nevertheless the Gold Mines index still managed a 0.3 gain at 162.9, making a week's rise of 4.6.

Of the heavyweights Western Holdings, ¼ firmer at £17¾, and Free State Geduld, ¼ better at £15¾, both registered new 1977/8 highs. Medium-priced issues showed Winkelhaak 17 up at a 1977/8 peak of 727p and Western Deep a similar amount to the good at 767p.

South African Financials moved narrowly in quiet trading. De Beers were undisturbed at 313p in front of the 1977 results, which are expected next Wednesday. Union Corporation, 275p, with 1977 figures also due next were similarly unmoved.

Australians, however, re[illegible] depressed throughout the [illegible] in line with Sydney an[illegible] bourne markets. In Ur[illegible] Pancontinental closed 25 [illegible] over the week at 800p, [illegible] moving up to 900p on T[illegible] on rumours of a new an[illegible] method of disposing of u[illegible] waste materials.

News of the signing [illegible] internal settlement agreem[illegible] Rhodesia lifted prices [illegible] country's mining issues al[illegible] turnover was only mo[illegible] Falcon Mines put on 8 to a [illegible] high of 210p while Rh[illegible] Corporation hardened 2 [illegible] 24p and Wankie Colliery a[illegible] to 40p.

FINANCIAL TIMES STOCK INDICES

	Mar. 3	Mar. 2	Mar. 1	Feb. 28	Feb. 27	Feb. 24
Government Secs.	74.46	74.44	74.52	74.41	74.20	74.71
Fixed Interest	77.17	77.32	77.46	77.61	77.54	77.65
Industrial Ordinary	436.2	433.4	443.8	443.4	441.8	444.2
Gold Mines	162.9	162.6	162.1	158.9	159.3	158.8
Ord. Div. Yield	6.17	6.19	6.06	6.06	6.06	6.02
Earnings Y'ld % (full)	16.38	16.43	16.03	16.02	16.03	17.93
P/E Ratio (net)	7.64	7.62	7.79	7.79	7.79	7.83
Dealings marked	4,374	4,592	4,384	4,783	5,942	5,173
Equity turnover £m.	—	63.05	62.81	60.06	70.12	77.87
Equity bargains total	—	11,450	13,608	14,269	16,822	[illegible]

10 am 436.2. 11 am 434.1. Noon 435.1. 1 pm 434.8. 2 pm 434.5. 3 pm 434.8. Latest Index 01-246 8026.

* Based on 52 per cent. corporation tax. † Nil=7.39.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1977/78 High	1977/78 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	79.85 (30/9)	60.45 (4/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1/78)	60.49 (4/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	549.2 (14/9)	357.6 (12/1)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	174.5 (18/10)	95.1 (1/2)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 3
—Daily	
Gilt-Edged	155.7
Industries	145.0
Speculative	42.2
Totals	99.6
5-day Average	
Gilt-Edged	166.2
Industrials	162.3
Speculative	[illegible]
Totals	109.2

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down
British Funds	50	—	26	151	12[illegible]
Corpns. Dom. and Foreign Bonds	15	12	46	[illegible]	7[illegible]
Industrials	385	385	1,003	1,712	2,[illegible]
Financial and Prop.	47	149	327	[illegible]	71[illegible]
Oils	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Plantations	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Recent Issues	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Totals	550	860	1,534	2,608	3,282

NEW HIGHS AND LOWS FOR 1977/8

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1977-78.

NEW HIGHS (23)

BANKS (2) Trade Develop. Bk. Sturla (G.)
BUILDINGS (1) Warrington (Thos.)
DRAPERY & STORES (2) Executex Fairdale Textiles A
ENGINEERING (2) Blakey's Tate
INDUSTRIALS (2) Morrall (Abel) Provincial Laundries
NEWSPAPERS (1) Webster's Publications
PAPER (1) Lon. & Prov. Poster
PROPERTY (1) Anston Hldgs.
TRUSTS (8) Brazil Inv. Nippon Fd. S Derby Trust Inc. Yule Catto Majedie Invs.
MINES (6) ERGO Welkom Winkelhaak Western Hold F. S. Geduld Falcon

NEW LOWS (6)

CANADIANS (1) Inco
BUILDINGS (1) Tarmac
INDUSTRIALS (1) Newey Group
OILS (1) LASMO
MINES (2) BH South Colby Mines

ACTIVE STOCKS

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1977-78 high	1977-78 low
BP	£1	62	724	−30	966	720
BATs Defd.	25p	58	247	− 3	260	202
Shell Transport	25p	54	490	− 8	635	454
Beecham	25p	52	383	−30	693	372
ICI	£1	51	331	− 8	446	[illegible]
EMI	50p	48	144	−21	234	141
Reed Intl.	£1	47	110	+ 3	233	100
Grand Met.	50p	45	89	− 3	109	62
Rank Org.	25p	45	226	− 6	278	128
GEC	25p	43	241	− 4	284	163
Distillers	50p	41	164	− 2	193	120
RTZ	25p	40	164	− 7	247	164
Burmah Oil	£1	36	45	− 4	83	41
De Beers Defd.	R0.05	36	313	− 4	323	188
P & O Defd.	£1	36	96	—	173	93

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1977-78 high	1977-78 low
Beecham	25p	9	383	−12	693	372
BP	£1	9	724	+ 4	966	720
ICI	£1	8	331	+ 3	446	325
Rank Org.	25p	8	226	− 5	278	128
Shell Transport	25p	8	490	+ 5	633	434
BATs Defd.	25p	7	247	− 1	260	202
Distillers	50p	7	164	+ 1	193	120
Grand Met.	50p	7	89	+ 2	109	62
Hawker Siddeley	25p	7	170	+ 4	214	113
EMI	50p	6	144	+ 3	234	141
GEC	25p	6	241	+ 4	284	163
P & O Defd.	£1	6	96	+ 1	173	93
Reed Intl.	£1	6	110	+ 2	233	100
RTZ	25p	6	164	—	247	164
Royal Insurance	25p	6	362	+ 7	400	280

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1) (e) and reproduced today in Stock Exchange dealings.

OPTIONS TRADED

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 21	Mar. 6	May 25	Jun. 7
Mar. 7	Mar. 20	Jun. 8	Jun. 21
Mar. 21	Apr. 10	Jun. 22	July 5

For rate indications see end of Share Information Service

Money was given for the call of Grand Metropolitan, Mills and Allen International, Premier Consolidated Oil, BP, Ladbroke Warrants, Town and City Properties, Dufay Bitumastic, Charterhall, Brittania Arrow, W. J. Reynolds, Coral Leisure, Howard Tenens, Thomson Organisation, British Land, ICL, Hawker Siddeley, Aquis Securities, Burmah Oil, Rustenburg Platinum, Lydenburg Platinum Cableform and ZCI. Puts were dealt in French Kier, Booker McConnell and Dixon's Photographic, while doubles were arranged in Premier Consolidated Oil, Ladbroke Warrants and Magnet and Southerns.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1977/8 High	1977/8 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
—	—	—	—	—	Nil	—	—	—	—	—	—

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1978. ... Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of Ordinary shares as a "rights." ** Rights by way of capitalisation. †† Minimum tender price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former Preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ◆ Quoted price subject to $ premium for U.R. residents.

BASE LENDING RATES

A.B.N. Bank	6½%	■ Hill Samuel §	6½%
Allied Irish Banks Ltd.	6½%	C. Hoare & Co. †	6½%
American Express Bk.	6½%	Julian S. Hodge	7½%
Amro Bank	6½%	Hongkong & Shanghai	6½%
A P Bank Ltd.	6½%	Industrial Bk. of Scot.	6½%
Henry Ansbacher	6½%	Keyser Ullmann	6½%
Banco de Bilbao	6½%	Knowsley & Co. Ltd.	9 %
Bank of Credit & Cmce.	6½%	Lloyds Bank	6½%
Bank of Cyprus	6½%	London & European	8 %
Bank of N.S.W.	6½%	London Mercantile	6½%
Banque Belge Ltd.	6½%	Midland Bank	6½%
Banque du Rhone	7 %	■ Samuel Montagu	6½%
Barclays Bank	6½%	■ Morgan Grenfell	6½%
Barnett Christie Ltd.	8½%	National Westminster	6½%
Bremar Holdings Ltd.	7½%	Norwich General Trust	6½%
Brit. Bank of Mid. East	6½%	P. S. Refson & Co.	6½%
■ Brown Shipley	6½%	Rossminster Accept'cs	6½%
Canada Permanent AFI	6½%	Royal Bk. Canada Trust	6½%
Capitol C & C Fin. Ltd.	9 %	Schlesinger Limited	6½%
Cayzer Ltd.	7 %	E. S. Schwab	8½%
Cedar Holdings	8 %	Security Trust Co. Ltd.	7½%
■ Charterhouse Japhet	6½%	Shenley Trust	9½%
C. E. Coates	7½%	Standard Chartered	6½%
Consolidated Credits	6½%	Trade Dev. Bank	6½%
Co-operative Bank *	6½%	Trustee Savings Bank	6½%
Corinthian Securities	6½%	Twentieth Century Bk.	7½%
Credit Lyonnais	6½%	United Bank of Kuwait	6½%
The Cyprus Popular Bk.	6½%	Whiteaway Laidlaw	7 %
Duncan Lawrie ¶	6½%	Williams & Glyn's	6½%
Eagil Trust	6½%	Yorkshire Bank	6½%
English Transcont.	8 %		
First London Secs.	6½%		
First Nat. Fin. Corpn.	8½%		
First Nat. Secs. Ltd.	8 %		
■ Antony Gibbs	6½%		
Greyhound Guaranty	6½%		
Grindlays Bank ‡	6½%		
■ Guinness Mahon	6½%		
■ Hambros Bank	6½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 3%. 1-month deposits 3½%.
† 7-day deposits on sums of £10,000 and under 3%, up to £25,000 3½% and over £25,000 4¼%.
‡ Call deposits over £1,000 3%.
§ Demand deposits 4%.
¶ Rate also applies to Sterling Ind. Secs.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS and SUB-SECTIONS — Fri., Mar. 3, 1978 — Index No.; Day's Change %; Est. Earnings Yield % (Max.) (ACT at 34%); Gross Div. Yield % (ACT at 34%); Est. P/E Ratio (Net) (Corp. Tax 52%); Thurs. Mar. 2 Index No.; Wed. Mar. 1 Index No.; Tues. Feb. 28 Index No.; Mon. Feb. 27 Index No.; Year ago (approx.) Index No.; 1977-78 Highs and Lows Index; Since Compilation High and Low.

Figures in parentheses show number of stocks per section.

No.	Group	Index No.	Day's Change %
1	CAPITAL GOODS (170)	189.16	+0.1
2	Building Materials (27)	166.30	[illegible]
3	Contracting, Construction (28)	292.27	[illegible]
4	Electricals (15)	408.07	[illegible]
5	Engineering Contractors (14)	273.86	[illegible]
6	Mechanical Engineering (71)	150.16	[illegible]
8	Metals and Metal Forming (17)	154.77	[illegible]
	CONSUMER GOODS		
11	(DURABLE) (52)	179.63	[illegible]
12	Lt. Electronics, Radio TV (15)	201.17	[illegible]
13	Household Goods (12)	161.77	[illegible]
14	Motors and Distributors (25)	105.18	[illegible]
	CONSUMER GOODS		
21	(NON-DURABLE) (176)	179.99	[illegible]
22	Breweries (14)	206.68	[illegible]
23	Wines and Spirits (6)	231.23	[illegible]
24	Entertainment, Catering (18)	222.59	[illegible]
25	Food Manufacturing (22)	175.50	[illegible]
26	Food Retailing (16)	176.53	[illegible]
32	Newspapers, Publishing (13)	271.15	[illegible]
33	Packaging and Paper (15)	126.03	[illegible]
34	Stores (38)	166.14	[illegible]
35	Textiles (25)	162.14	[illegible]
36	Tobaccos (3)	229.89	[illegible]
37	Toys and Games (6)	92.46	[illegible]
41	OTHER GROUPS (97)	173.08	[illegible]
42	Chemicals (19)	280.39	[illegible]
43	Pharmaceutical Products (7)	228.41	[illegible]
44	Office Equipment (6)	117.48	[illegible]
45	Shipping (10)	450.28	[illegible]
46	Miscellaneous (55)	178.47	[illegible]
49	INDUSTRIAL GROUP (495)	186.17	[illegible]
51	Oils (5)	421.13	[illegible]
59	500 SHARE INDEX	205.79	[illegible]
61	FINANCIAL GROUP (100)	155.47	[illegible]
62	Banks (6)	175.69	[illegible]
63	Discount Houses (10)	190.22	[illegible]
64	Hire Purchase (5)	160.42	[illegible]
65	Insurance (Life) (10)	128.88	[illegible]
66	Insurance (Composite) (7)	122.12	[illegible]
67	Insurance Brokers (10)	316.33	[illegible]
68	Merchant Banks (14)	71.08	[illegible]
69	Property (31)	224.70	[illegible]
70	Miscellaneous (7)	101.19	[illegible]
71	Investment Trusts (50)	176.62	[illegible]
81	Mining Finance (4)	85.52	[illegible]
91	Overseas Traders (19)	274.62	[illegible]
99	ALL-SHARE INDEX (673)	191.49	+0.2

FIXED INTEREST PRICE INDICES

	British Government	Fri. Mar. 3	Day's change %	xd adj. Today	xd adj. 1978 to date
1	Under 5 years	[illegible]	[illegible]	[illegible]	[illegible]
2	5-15 years	[illegible]	[illegible]	[illegible]	[illegible]
3	Over 15 years	[illegible]	[illegible]	[illegible]	[illegible]
4	Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]
5	All stocks	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

			Fri. Mar. 3	Thurs. Mar. 2	Year ago (approx.)	1977-78 Highs	1977-78 Lows
1	Low Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2		15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Medium Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Fri. Mar. 3 Index No.	Yield
15 20-yr. Red. Deb. & Loans (15)	[illegible]	[illegible]
16 Investment Trust Prefs. (15)	[illegible]	[illegible]
17 Coml. and Indl. Prefs. (20)	[illegible]	[illegible]

Section or Group, Base Date, Base Value: [illegible]

† Redemption yield. A new list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 22p. A fortnightly record of group and sub-section indices, dividend yields and earnings yields since 1962, with quarterly highs and lows of the indices, is obtainable from FT Business Enterprises Ltd., Bracken House, London, EC4, at £10 per copy.

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NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. ∅ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.

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Index Guide as at 21st February, 1978 (Base 100 at 14.1.77.)

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CORAL INDEX: Close 433-438

INSURANCE BASE RATES

† Property Growth	7½%
† Vanbrugh Guaranteed	7.37%

† Address shown under Insurance and Property Bond Table.

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**BRITISH FUNDS

1977-78 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
104⅛	97⅞	Treasury 10½pc '78‡‡	101 13/32	.....	10.33	5.97
100⅛	90 13/16	Exch. 5pc '76-78‡‡	99¼xd	.....	5.04	6.37
107	95⅞	Treasury 11½pc '79‡‡	104¼xd	.....	11.03	7.06
97¾	84 15/16	Treasury 3pc '79‡‡	96⅞xd	.....	3.10	5.14
98¾	85⅛	Electric 4¼pc '74-79	97⅝xd	.....	4.35	5.86
106 11/16	92	Treasury 10½pc '79‡‡	103½	.....	10.14	8.17
97⅝	84⅞	Electric 3½pc '76-79	95⅞	.....	3.65	6.09
107	87¾	Treasury 9pc 1980‡‡	101 13/16xd	.....	8.84	7.99
105¾	88⅞	Treasury 9½pc '80‡‡	101 11/16	.....	9.34	8.63
96	82⅞	Treasury 3½pc '77-80	94⅛	.....	3.72	6.31
98¼	83	Funding 5¼pc '78-80‡‡	95½	.....	5.50	7.42
112⅝	96 13/32	Exchequer 13pc 1980‡‡	108 1/16	+1/16	12.03	9.54
108 5/16	92 13/32	Treasury 11½pc 1981‡‡	104 11/16	+⅛	10.98	9.57
94¼	77⅞	Treasury 3½pc 1979-81	90⅝	.....	3.86	7.08
104	86 3/16	Treasury 9¾pc 1981‡‡	100 13/16xd	+⅛	9.66	9.40
97⅜	95¼	Exch. 8¼pc 1981	96⅝	+⅛	8.54	9.46
103½	97½	Exch. 9½pc 1981	99 13/16	+⅛	9.51	9.52
92⅛	87½	Exch. 3pc 1981	87¾	.....	3.42	7.05
98⅝	96⅛	Treas. Variable '81‡‡	96¾	.....	6.69	7.49
113½	96¼	Exch. 12¾pc 1981‡‡	108 13/16	+⅛	11.70	9.88
100⅝	82⅞	Treas. 8½pc '80-82‡‡	97¼	+⅛	8.74	9.35
93⅛	71⅝	Treasury 3pc '82‡‡	85¾	.....	3.50	7.21
119⅜	101⅝	Treasury 14pc '82‡‡	113¼xd	+½	12.38	9.97
98½	95¼	Treas. Variable '82‡‡	96	.....	6.74	7.58
98⅝	93⅝	Treasury 8¼pc '82	95 3/16	+⅛	8.67	9.63
102⅛	93⅝	Exch. 9¼pc 1982	98 3/16xd	+⅛	9.41	9.71
96 11/16	96½	Exch. 8¾pc 1983●	96 15/32	+⅛	9.06	9.66
87⅝	81	Exch 3pc '83	82¼	.....	3.62	7.19
		Five to Fifteen Years				
114¼	95½	Treasury 12pc 1983‡‡	107⅝xd	+⅛	11.11	9.95
101⅜	95⅞	Treasury 9½pc '83	98⅛	+⅛	9.48	9.84
95½	72⅝	Funding 5½pc '82-84‡‡	86	+⅛	6.45	8.76
100¼	77⅝	Treasury 8½pc '84-86‡‡	93½	+⅛	9.22	9.89
87⅞	66¾	Funding 6½pc '85-87‡‡	84⅛	+⅛	7.94	9.50
94	68½	Treasury 7¾pc '85-88‡‡	85½	+⅛	9.15	10.25
74⅜	49⅛	Transport 3pc '78-88	64⅝	+⅛	4.70	8.28
76¼	53⅞	Treasury 5pc '86-89	70½	+⅛	7.29	9.53
121¼	90	Treasury 13pc 1990‡‡	110	+¼	12.01	11.69
94¾	67⅛	Treasury 8¼pc '87-90‡‡	85½	+⅛	9.90	10.72
112	88¾	Treasury 11¾pc 1991	101¼	+¼	11.81	11.82
76½	53¾	Funding 5¾pc '87-91‡‡	67⅞xd	+⅛	8.41	10.19
118	86¾	Treasury 12¾pc '92‡‡	106⅞	+¼	12.10	11.94
96⅜	88¼	Treasury 10pc 1992	89¼	+¼	11.25	11.62
113	89½	Exch. 12¼pc '92	102¼	+¼	12.02	11.97
		Over Fifteen Years				
116¼	84½	Treasury 12½pc '93‡‡	105¼	+¼	12.08	11.99
73⅝	51⅜	Funding 6pc 1993‡‡	65¼xd	+⅛	9.17	10.58
126½	96	Treasury 13¾pc 1993‡‡	114⅞	+¼	12.39	12.15
129¼	99	Treasury 14½pc '94‡‡	116⅝	+⅛	12.45	12.14
114⅛	94⅝	Exch. 12½pc 1994	103⅝	+¼	12.11	12.05
96	66¼	Treasury 9pc '94‡‡	85⅝	+⅛	10.85	11.28
110⅝	97⅞	Treasury 12pc '95	101⅝	+¼	11.96	11.95
51⅞	32⅝	Gas 3pc '90-95	49	+⅛	6.25	9.01
95	88⅝	Exch. 10¼pc 1995●	89¼	+⅛	11.50	11.72
120⅜	87	Treasury 12¾pc '95‡‡	108⅞	+¼	12.14	12.05
92½	66¾	Treasury 9pc '92-96‡‡	81⅞xd	+⅛	10.96	11.36
133¾	101½	Treasury 15¼pc '96‡‡	126¼	+¼	12.59	12.31
124	89¾	Exchequer 13¼pc '96‡‡	112⅛	+¼	12.23	12.10
50	31¾	Redemption 3pc 1986-96	46½xd	+⅛	6.42	8.93
122½	87½	Treasury 13¾pc '97‡‡	110	+¼	12.22	12.09
98⅝	90¼	Exchequer 10½pc 1997	91	+¼	11.59	11.74
89⅝	64⅞	Treasury 8¾pc 1997‡‡	79⅝	+⅛	11.01	11.38
72¾	50¾	Treasury 6¾pc '95-98‡‡	67⅝	+¼	10.33	11.09
136½	103⅝	Treas. 15½pc '98‡‡	123½xd	+¼	12.49	12.26
97	65⅞	Treasury 9½pc 1999‡‡	86⅛	+⅛	11.20	11.42
96¼	90⅝	Treasury 10½pc 1999	91⅝	+¼	11.63	11.75
44¾	27⅝	Funding 3½pc '99-04	39¼	+⅛	8.91	10.16
82¼	57½	Treasury 8pc '02-06‡‡	72½xd	+⅛	10.93	11.13
59	40⅝	Treasury 5½pc '08-12‡‡	51¾xd	+⅛	10.62	10.88
80¼	53¼	Treasury 7¾pc '12-15‡‡	71¼	+⅛	10.93	11.01
		Undated				
38⅞	26½	Consols 4pc	35⅛	.....	11.51	—
36⅜	25⅝	War Loan 3½pc‡‡	36	.....	9.97	—
39¼	26¾	Conv. 3½pc '61 Aft	36½xd	.....	9.56	—
28⅝	20½	Treasury 3pc '66 Aft	25½xd	.....	11.65	—
24⅛	17¼	Consols 2½pc	22xd	.....	11.26	—
24	17½	Treasury 2½pc	21¼xd	.....	11.67	—

**INTERNATIONAL BANK

1977-78 High	Low	Stock	£	+ or −	Yield Int.	Red.
88¼	75½	5pc Stock '77-82	86	−½	5.81	8.87

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

AMERICANS—Continued

[illegible]

S.E. List Premium 37¾% (based on $US1.9395 per £)

Conversion factor 0.7285 (0.7186)

CANADIANS

[illegible]

S.E. List Premium 37¾% (based on $2.1732 per £)

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

BUILDING INDUSTRY—Cont.

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Cont.

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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MISCELLANEOUS

9½	9	Burma Mines 17½p	9	......	—	—	—
115	57	Colby Mines SC1	57	−11	—	—	—
600	225	Cons. Murch. 10c	240	......	Q30c	ф	7.5
475	250	Northgate C$1	252	+2	—	—	—
247	164	R.T.Z.	164	......	t8.5	q3.1	7.9
70	28½	Sabina Inds C$1	32	......	—	—	—
£14¾	800	Tara Expln. $1	800	......	—	—	—
55	39	Tehidy Minerals 10p	45	......	1.21	2.5	4.1
160	120	Yukon Cons. C$1	123	......	Q7c	ф	3.4

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ф Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend: cover on earnings updated by latest interim statement.
- ? Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ‡ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¥ Excluding a final dividend declaration.
- ÷ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 24

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv 20p	23	......
Ash Spinning	43	......
Bertam	14	......
Bdg'wtr Est. 50p	277	......
Clover Croft	22	......
Craig & Rose £1	400	......
Dyson (R.A.)	39	......
Ellis & McHdy	68	......
Evans Fr'k 10p	57	......
Evered	15½	......
Fife Forge	47	......
Finlay Pkg. 5p	19	+½
Sheff. Refrshmt.	51	......
Shiloh Spinn.	19	......
Sindall (Wm.)	83	−1

IRISH

Conv. 9% '80/82	£95⅞	......
Alliance Gas	70	......
Arnott	270	......
Carroll (P.J.)	102	+2
Clondalkin	90	......

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FINANCIAL TIMES

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MEN OF THE WEEK

Not on the same tracks

BY CHRISTIAN TYLER

YORKSHIREMEN pride themselves on their plain speaking. And two of the plainest speakers in the trade union movement today are Mr. Ray Buckton and Mr. Sid Weighell, who grew up only a few miles apart in North Yorkshire.

Mr. Buckton, as every commuter knows, is general secretary of the Associated Society of Locomotive Engineers and Firemen; Mr. Weighell of the *National Union of Railwaymen.*

The trouble is that the two rarely see eye-to-eye; and when their unions are in conflict, as they are now once again, the railway passenger is more often than not the sufferer. So far this time the passenger has been spared. ASLEF withdrew at the last minute its threat of a national strike on Wednesday over a deal for some NUR guards, but not without some tongue-lashing from Mr. Weighell who has come to detest the train drivers' penchant for bringing out the big stick. Yet it was the threat of action by the NUR that originally prompted British Rail to make a deal, in the knowledge that ASLEF might react.

Ray Buckton and Sid Weighell
Rarely see eye to eye

Relations between the two unions are now possibly worse than ever. There may be no personal animus between the two general secretaries and they have co-operated on a save-the-railways campaign, but their positions certainly do not make them friends. As one union official said yesterday: "I hope you don't think you're going to get a joint photograph."

Mr. Buckton, general secretary since 1970, is a reluctant militant but can look fierce and aggrieved enough when he goes on television to convey the decisions of his hardline nine-man national executive committee. Privately he is one of the most engaging and friendly men at the top of the union movement.

Mr. Weighell, who took over with much sabre-rattling just three years ago, is short, self-confident and highly-strung, with an autocratic style. With his quick eye and fluent tongue, he is a natural propagandist and political lobbyist.

Bad blood

Bad blood between the two unions can be traced back to the mid-Fifties when ASLEF went on strike and the NUR told its members to keep working.

The bitterness has increased in recent years. Ray Buckton, it is said, is too much at the mercy of his executive and ASLEF—with 28,000 members to-day compared with the NUR's 180,000—was robbing the NUR of its role as the industry's spokesman. When Sid Weighell took over, he decided to cut ASLEF down to size again.

As a result, recent years have been marked by fierce tactical struggles and one-upmanship in national negotiations—negotiations complicated by the fact that the NUR too has train drivers in its membership (Mr. Weighell was one himself).

ASLEF is a small craft union battling to retain the status and pay differential of the footplateman in a world where technology has overtaken him. *The* driver is no longer at the top of the pay ladder—many signalmen and technicians earn more. That decline has been made worse by the flat-rate payments of recent incomes policies, which in ASLEF's eyes have wrecked a structure so painfully achieved by arbitration.

Loyal members

At the same time the contraction of the industry although it has affected both unions, has reduced ASLEF's membership dramatically—it stood at 70,000 about 20 years ago.

But ASLEF is still industrially strong, and its members are loyal. There have been many *attempts by the NUR to lure its* rival into a merger—or at least some kind of federation.

Even now the NUR is talking to the white-collar union, the Transport Salaried Staffs Association. ASLEF's executive, deeply suspicious of Mr. Weighell's ambitions, will have none of it.

So once again the annual pay *talks, now getting under way,* will be punctuated with hostility and threats. The NUR, proud of its part in founding the Labour Party, has no mind to rock the Government's boat. ASLEF, which has voted against each of the incomes policies, will keep its eyes firmly on its members' pay packets.

Japan likely to peg car sales to U.K.

BY CHARLES SMITH

TOKYO, March 3.

JAPAN'S *MINISTRY* of International Trade and Industry appears to have given undertakings to Britain to restrain Japanese car exports to the U.K. at about last year's levels, although no anouncement to this effect is to be made in Tokyo for the time being.

After the last round of talks between the Ministry and the British Embassy, which took place this afternoon, the embassy was apparently given a letter setting out the Japanese Government's position on the car-export issue.

The contents of the letter will form the basis for an announcement, to be made probably by Mr. Edmund Dell, the Trade Secretary, in the Commons on Tuesday.

Statements by Japanese car manufacturers about the U.K. market have been increasingly guarded in the last few days. A trend, however, has been to stress that exports this year are "not expected" to be up on last year's level.

Car manufacturers have also been cautious about export prospects elsewhere in Europe and the United States. Japan sees problems for its car exports to other markets besides Britain, and fears that a promise to restrain exports to the U.K. could stimulate demands for similar restraints elsewhere.

All that is being said officially is that the Japanese Ministry and the British Embassy have concluded 10-day talks on Japanese car exports to the U.K.

The talks, according to the embassy, produced "a clarification of the intentions of the Japanese motor industry" towards the British market—or more precisely, of the wording of the communique issued after talks last month between the two industries.

The communique said that Japanese exporters had declined to give a commitment to restrict exports to the U.K., but promised that their exports would not "cause trouble" for the British industry.

Terry Dodsworth writes: Mr. Dell will be able to point to a substantial recovery in British Leyland's sales last month when he makes his statement to the Commons.

Although Japan's share of the market remained high last month, at almost 13 per cent., Leyland's new Superdeal campaign has pulled the British company up from a 21.4 per cent. share last month to about 25 per cent.

After almost four months of relatively uninterrupted production, Leyland now has about 130,000 cars in stock and believes that it can maintain the momentum of sales.

The improved figures will support Japan's view that Leyland's problems, which prompted the company to ask the Government for curbs on Japanese cars, are caused more by the company's own failure to produce than aggressive competition.

On the other hand, the Government is likely to want some decline in the present high rate of Japanese car sales. The Japanese importers' market share is running at about 2.5 per cent. more than last year's average.

Callaghan attacks Tory policy 'witches brew'

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN responded last night to the Tory victory at Ilford North by urging the Labour Party to redouble its fight against the "fear and prejudice of the witches' brew" of Tory policies.

While Mrs. Margaret Thatcher led the Tories in jubilant celebration of their sixth by-election gain from Labour, the Prime Minister told a party meeting in the Rhondda that the Opposition campaign threatened the country with "a society bagridden by division."

But Mr. Callaghan added: "We will overcome cynicism with belief, and opportunism by principle."

Dr. David Owen, the Foreign Secretary, and Mr. Roy Hattersley, Prices Secretary, strongly reinforced the appeal to the Labour movement to throw its full weight into this political struggle.

Mr. Hattersley said that a Labour victory at the General Election would depend on the party's success in eliminating Tory "diversions" like immigration, and fighting the contest on economic policy.

Dr. Owen said that Britain must adopt a non-racial position at home and abroad if it wanted to be taken seriously as a political and moral world leader.

While some Labour votes were lost because of the immigration issue at Ilford, a Government analysis suggests that the electoral damage was restricted by the vigorous reaction which the issue aroused among other Labour supporters.

The Labour vote remained surprisingly solid; the voting switch to the Tories was the lowest for two years, and closing the 6.9 per cent. margin by no means presents Labour with an insuperable task in the next six or seven months.

Sir Harold Wilson suggested last night that action be taken to nullify the National Front threat by raising the deposit for election candidates from £150 to £1,250.

There was general agreement that the collapse of the Liberal vote now seems as great a cause for concern to the Prime Minister as it is to Mr. David Steel, the Liberal Leader.

On present indications the Tories could expect to pick up a valuable bonus from Liberal losses in the General Election.

Picture, poll figures, Page 17

Bid to avert house price boom

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE GOVERNMENT was determined that there would be no repetition of the 1972-73 house price boom, Mr. Peter Shore, Environment Secretary, said last night.

His comments were made the day after officials from his department and the Treasury asked building societies to reduce their mortgage lending programme to help prevent any house price explosion. The societies meet next week to discuss the request.

Mr. Shore said that there were indications of a sharp increase in house prices. It was not in the public interest that they should now move ahead faster than prices generally. The Government's legitimate responsibility was to see that house prices did not rise at "an unacceptable rate."

Providing evidence that there had been a marked acceleration in prices in the past few months, Mr. Shore said that the average price of second-hand homes was increasing at about 13 per cent., while the price for average new homes was rising at an annual rate of nearer 20 per cent.

"If this movement were to continue and to be repeated as a market pattern in all types of housing in all parts of the country and for the months ahead, then the result would be that fewer people would be able to become home owners."

His first concern, he said, was to ensure that prices did not rise at such a rate as to push houses beyond the reach of first-time buyers.

He said that rising house prices were not just a matter for the Government. He knew that the societies were as anxious as anyone to maintain an orderly market. They and the builders knew that an uncontrolled surge of prices would lead only to an eventual reduction in demand.

Spectres haunting house prices, Page 15

Tanners win right to sue NEB

BY LYNTON McLAIN, INDUSTRIAL STAFF

THE GOVERNMENT appears to have accepted the right of 14 independent tanning companies to take legal action against the *National Enterprise Board* for what they claim to be a breach of its statutory duty in giving financial backing to British Tanners Products.

The 14 tanning companies said yesterday that Mr. Sam Silkin, the Attorney-General, had granted his fiat for their action against the NEB to proceed as a relator action.

Such a move points to the *Government's backing* for the right of the tanners, or anybody else, to bring legal proceedings against a public body.

At a court hearing in January, Mr. Justice Forbes turned down an attempt by the NEB to block a move by the 14 companies to challenge its partnership with Barrow Hepburn Gale in the recently-formed British Tanners Products.

British Tanners was set up last year by the NEB and Barrow Hepburn from the loss-making tanning interests of Barrow Hepburn.

The NEB put up £3m. and has just said it will channel £1½m. *more into British Tanners, which* has incurred a substantial loss.

The 14 companies have argued that the NEB's moves are contrary to its guidelines, which require it to act on a commercial basis.

These companies have been seeking a court injunction that the NEB had no power to make what they allege was a discriminatory use of its funds. They claim damages for breach of duty.

The NEB which has, however, appealed against Mr. Justice Forbes' decision, said last night: "Neither we nor our lawyers have received any notification *of this apparent development* and therefore can make no comment."

"Now nobody can say we do not have the right to bring the NEB to trial," said Mr. John Pittard, chairman of the Pittard Group of tanning companies and spokesman for the 14 companies. "The announcement by Mr. Silkin authorising our action is a very important point of law."

Financing of City scheme may cause controversy

BY MARGARET REID

THE FINANCING of the proposed new Council for the Securities Industry is expected to cause controversy now that wider discussion of the scheme is beginning among financial institutions on the basis of a *paper* circulated by the Bank of England.

The council is likely to cost several hundred thousand pounds a year. Unless arrangements are made for this expense, or a substantial part of it, to be met from public funds, the likelihood is that an additional charge will be made on share transactions.

This would inevitably increase the cost of share deals to the big investing institutions such as insurance and pension funds, which are likely to be unhappy at the prospect.

The possibility, confidentially canvassed some weeks ago, that the Government should effectively meet at least part of the cost by giving up its claim to some of the present stamp duty seems to have run into difficulties. While no decision appears to have been reached, objections have evidently been raised in Government circles.

One alternative would be for part of the cost to be paid by the State-owned Bank of England, which already meets most of the expenses of the City Take-over Panel—likely to be embraced within the ambit of the new body.

However, there is a considerable feeling in the City that a City body which is to be proclaimed as an improved venture in self-regulation should also be elf-financing at least in part.

Another alternative by which the Stock Exchange, the banking and investing institutions and others concerned with the project would pay directly for its cost does not appear to be widely favoured.

Continued from Page 1

Borrowing

about how far any cuts in income tax might be offset by a small rise in indirect taxes.

The public sector borrowing requirement was £1.13bn., seasonally adjusted, in the final three months of 1977, compared with £1.55bn. and £924m. in the previous two quarters.

The nine-month total of £3.6bn. is only just over half the figure for the same stage of 1976-77. A major reason for the difference is buoyant revenue, though the autumn tax cuts will boost borrowing slightly in the current quarter.

Borrowing by public corporations is £1.2bn., less than at this stage a year ago as a result of improved profits and lower capital expenditure.

BP will spend £1bn. on field

By Ray Dafter, Energy Correspondent

BRITISH PETROLEUM is to spend about £1bn. on the exploitation of its Magnus Field, the most northerly commercial discovery in the North Sea. The field may be adding to U.K. oil production by late 1981 or early 1983.

The company said yesterday that its Board had approved the development proposal and that it would shortly submit its plans to the Department of Energy.

Magnus is a medium-sized field with an estimated 400m. barrels of recoverable reserves. BP said that it expected the field to produce oil and gas liquids at a peak rate of 125,000 barrels a day. This is about aquarter of the maximum rate expected shortly to be attained from BP's Forties Field.

Forties is one of the most profitable fields in the North Sea. This fact must have influenced the Magnus development decision. Capital allowances for Magnus expenditure can be claimed against the Forties Corporation tax bill.

In relation to its size Magnus will be one of the most expensive fields to develop in the North Sea.

Equipment

Dr. Jack Birks, a managing director of BP, hinted at the cost late in November when he said that a deep-water field producing about 100,000 barrels a day or more could cost about £1bn. to develop.

British equipment suppliers hope to receive a major share of the £1bn. investment. After evaluating a number of novel production systems, BP is thought to have decided to *exploit the field with a* conventional steel platform.

The Magnus Field, in Blocks 211/12 and 211/7, lies beneath 615 feet of water. As a result the platform will be one of the tallest in the North Sea, costing an estimated £100m. to £150m., excluding production equipment.

British platform-builders, still suffering from substantial surplus capacity, are likely to bid strongly for the basic platform contract.

Details of the production plan have not been disclosed, although it is likely that BP will build a pipeline to carry the oil from Magnus to the Ninian pipeline transmission system, in which BP also has an interest.

Continued from Page 1

Engineers

stituents had been unanimous, Mr. Scanlon said.

Informal talks between the unions and the federation on Thursday had produced a formula with agreement in principle if not on wording. Yesterday morning, however, he had received a telephone call and letter which made agreement impossible.

The employers' federation denied that such a formula existed. Its letter apparently reiterated that the unions were requesting something *that would put companies in breach of both the 12-month* rule and the 10 per cent. limit on pay rises.

Mr. Scanlon said the only point of disagreement was about the introduction of new minimum rates among those companies whose employees' earnings were below the proposed new minima.

Because of the industry's two-tier bargaining, many workers receive well above the national rates. For them the national rates determine only overtime, shift and holiday pay.

The federation has offered to raise the skilled rate—£42 a week since early 1976—to £57 from this month and £60 in August, with pro-rata increases for semi- and unskilled workers.

It said that these moves could not be made, however, until the anniversary of local agreements came round.

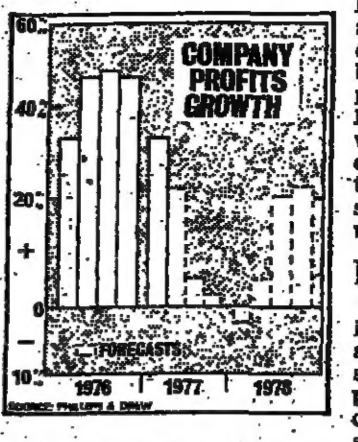
Companies would otherwise be in breach of the pay policy and subject to Government sanctions.

The federation believes that it has secured agreement on premium pay increases being introduced on local anniversaries. It also says that the unions have changed tack during the negotiations on the phasing in of the higher rates, where these would lift total earnings substantially.

THE LEX COLUMN

Analysts shoot at a moving target

Index rose 2.8 to 436.2



Yesterday's encouraging figure for the public sector borrowing requirement in the December quarter — only £1.13bn. after seasonal adjustment—represents yet another confusing joker in the pack of recent financial statistics. In the financial year so far the Government has been far undershooting its PSBR forecasts, bank lending has been rising at only a moderate rate and gilt-edged sales have been high. These favourable factors should have led to a situation of tight monetary control—but instead the money supply on the sterling M3 measure has been *growing* at well above the maximum target rate of 13 per cent. and has undermined the confidence of the stock market.

Next Tuesday's February banking figures are being awaited with some trepidation, although they are unlikely in themselves to clear up the current uncertainties one way or the other. Meantime, the PSBR news encouraged the gilt-edged market yesterday: the outurn for the year looks likely to be less than £6bn., although probably not as good as the £4.8bn. annual rate achieved in the first nine months.

Company profits

It all started off with Guest Keen last September. Two days after the FT 30-Share Index hit its all-time high of 549.2, Guest Keen disclosed half-year figures which were about a fifth below the market's targets. Since then, the ink has scarcely had time to dry on one set of analysts' forecasts before it has been necessary to produce another, gloomier, range of estimates.

EMI is the latest shocker. Six months ago, profits of nearly £70m. were widely expected for 1977-78. After this week's interim report, the target now is about £40m.

The result is that prospective profits of the constituents of the 30-Share Index are now expected by a sample of leading broking firms to amount to just over £3.1bn. In September, these same brokers were projecting aggregate profits for the 30 companies in 1977-78 of over £3.8bn. In other words, they have downgraded their estimates by nearly a fifth—which is almost exactly in line with the fall in the Index itself.

Admittedly the aggregate figures have been swollen by the enormous revisions which have been found to be necessary for the two biggest Index constituents, ICI and BP. Back in September, analysts were hoping that each of these two groups would make over a quarter more in 1978 than now seems likely. All the same, a bleaker outlook now extends to pretty well all the companies on the list. Only one (John Brown) is now expected to produce significantly more than then seemed likely, and on average the brokers have revised down their forecasts for the 30 companies by just over 11 per cent.

Maybe they were all over-egging the pudding a little in the excitement of a roaring bull market. But this is not in itself an adequate explanation for the changes — and nor is the recovery of sterling. Obviously currency changes have had some adverse impact, but the fact is that Distillers, Beecham and Glaxo—all very substantial exporters—are among the few companies for which profit estimates so far remain broadly unchanged.

However, in general terms expectations for U.K.-based businesses have deteriorated less than most—especially for those nearest to the consumer, like Boots or Marks and Spencer. The main victims have been the groups most closely linked to international trade cycles, like ICI, BP, Courtaulds or P & O.

A sharp dip in the rate of profits growth towards the end of 1977 has already become clear. Brokers Phillips and Drew reckon that an annual rate of increase of 21 per cent. in industrial profits during the first half of the year was followed by a rise of little more than 3 per cent. in the second six months. Now, a number of broking firms who were originally looking for a profits rise of between a fifth and a quarter during 1978 are talking of something nearer a tenth.

These are, of course, ...toric cost figures. In real ... the performance is mu... ter in a period when ... has been falling away ... and this means that com... dividend paying powers ... be much greater than th... ported figures might ... But it will take some while for the analysts to ... egg off their faces and the confidence to come ... some convincing buy ... mendations.

Property finance

There are signs that ... institutional investors ar... again emerging as ... sources of funds for property companies. ... couple of years ago whe... such as Sun Life's ... fought take-over of Artag... perties hit the headline ... perty companies looked ... institutions as hungry ... tors.

But times change. ... property companies are much healthier position ... institutions are finding it ... singly difficult to find fir... property investments of ... own. So they are having ... once again on the experi... individual property com...

Two deals this week ... *line the growing financi...* operation between the pr... companies and their ... tional backers. On M... Friends Provident Life ... enabled Regional Propert... put its financing on ... sounder footing by subsc... for £8m. of Convertible ... stock, and yesterday ... Insurance put up another ... for Brixton Estates.

This deal is the more in... ing of the two. Royal ... ing the money for 15 ye... interest rates pitched ... centage point below the ... on 11¾ per cent. Treasury ... In return it has an opti... subscribe for 1m. B... Ordinary share at 104p (a... last night's price of 95p) ... ing the lifetime of the ... Compared with yields on ... office property of not more than 5 per cent. Ro... receiving a healthy imme... return on its investment ... the option to subscribe ... Ordinary shares at some f... date *gives it a chance to* ... fit from future capital ... ciation. Meanwhile the ... tion of the deal for Brixt... that it is paying 2-3 per ... less than it would have ... traditional fixed rate ... and the options do not in ... anywhere as much dilutio... is involved in the Reg... Properties deal.

Weather

U.K. TO-DAY

MAINLY dry, sunny intervals.

London, E. Anglia, S.W., Cent. S. England, Midlands, S. Wales, Channel Is.
Fog clearing. Mostly dry. Sunny periods. Max. 10-11C (50-52F).

E., Cent. N. and N.-E. England
Mostly dry. Sunny intervals. Max. 8C (46F).

N. Wales, N.W. England, Lake District, Isle of Man
Fog patches clearing. Mostly dry. Sunny periods. Max. 9-10C (48-50F).

Borders, Edinburgh, Dundee, Aberdeen, S.W. Scotland, Glasgow, N. Ireland
Fog patches clearing. Showers. Sunny intervals. Max. 8C (46F).

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amstrdm.	C	6	43	Madrid	C	9	48
Athens	C	19	66	Manchstr.	F	9	48
Bahrain	S	24	75	Melbourne	C	15	59
Barcelona	R	12	54	Mexico C.	S	24	75
Beirut	S	23	73	Milan	C	8	46
Belfast	C	7	45	Montreal	C	—10	13
Belgrade	S	18	64	Moscow	C	2	36
Berlin	F	12	54	Munich	S	12	54
Birmghm.	F	9	48	Newcastle	C	8	46
Bristol	F	9	48	New York	Sn	—1	34
Brussels	C	5	46	Oslo	Sn	1	34
Budapest	F	15	59	Paris	F	9	48
B. Aires	S	25	77	Perth	S	25	77
Cairo	S	21	59	Prague	S	6	43
Cardiff	F	9	48	Reykjavik	C	—6	21
Chicago	S	—3	23	Rio de J'o	C	31	88
Cologne	C	9	48	Rome	F	15	59
Copnhagn.	C	3	37	Singapore	S	29	85
Dublin	F	10	50	Stockholm	Dr	3	38
Edinburgh	C	8	46	Strasbrg.	S	15	59
Frankfurt	F	11	52	Sydney	C	23	74
Geneva	F	11	52	Tehran	S	15	60
Glasgow	C	8	46	Tel Aviv	S	27	80
Helsinki	C	1	34	Tokyo	C	8	47
H. Kong	C	21	71	Toronto	Sn	—1	30
Jo'burg	C	20	68	Vienna	F	11	52
Lisbon	R	10	50	Warsaw	C	3	37
London	C	9	48	Zurich	S	11	52
Luxembrg.	F	8	46				

HOLIDAY RESORTS

Ajaccio	F	15	59	Jersey	C	9	48
Algiers	R	16	61	Las Plms.	C	21	70
Biarritz	F	9	48	Locarno	F	6	43
Blackpool	F	10	50	Majorca	C	15	59
Bordeaux	C	11	52	Malaga	F	16	61
Boulogne	F	9	48	Malta	S	19	66
Casblnca.	C	18	64	Nairobi	S	23	73
Cape Tn.	C	23	74	Naples	S	17	63
Corfu	F	20	68	Nice	C	15	59
Dubrovnik	S	17	63	Nicosia	S	21	70
Faro	F	15	59	Oporto	R	10	50
Florence	C	12	54	Rhodes	C	21	70
Funchal	S	18	64	Salzburg	S	12	54
Gibraltar	F	17	63	Tangier	C	17	63
Guernsey	C	8	46	Tenerife	S	16	61
Innsbruck	S	14	57	Tunis	S	17	63
Inverness	C	9	48	Valencia	R	12	54
Is. of Man	C	6	43	Venice	C	10	50
Istanbul	C	10	50				

S—Sunny. R—Rain. C—Cloudy. F—Fair. Dr—Drizzle. Sn—Snow.

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